WAYNE COUNTY AIRPORT AUTHORITY

A discretely presented component unit of the Charter County of Wayne, Michigan

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2012

WAYNE COUNTY AIRPORT AUTHORITY

(A Discretely Presented Component Unit of
the Charter County of Wayne, Michigan)

Comprehensive Annual Financial Report

Year Ended September 30, 2012

Prepared by:
Controller's Office

WAYNE COUNTY AIRPORT AUTHORITY

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January 18, 2013

To the Wayne County Airport Authority Board:

The Comprehensive Annual Financial Report (CAFR) of the Wayne County Airport Authority (the Authority) for the year ended September 30, 2012 is submitted herewith. Responsibility for both the accuracy of the presented data and completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, this report fairly presents and fully discloses the Authority's financial position, results of operations, and cash flows in accordance with generally accepted accounting principles (GAAP). It includes disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities included within the CAFR. The report of the independent auditors on the financial statements is included on pages 1 and 2.

The CAFR was prepared following the guidelines recommended by the Government Finance Officers Association of the United States and Canada (GFOA). The GFOA awards Certificates of Achievement to those governments whose annual financial reports are judged to conform substantially to the high standards of public financial reporting, including GAAP promulgated by the Governmental Accounting Standards Board (GASB).

The management of the Authority is responsible for establishing and maintaining an internal control structure that is designed to ensure that the assets of the Authority are safeguarded. In addition, as a recipient of federal financial assistance, the Authority is responsible to make certain that an adequate internal control structure is in place to ensure compliance with general and specific laws and regulations related to the Airport Improvement Program and the Aviation Safety and Capacity Expansion Act.

The objectives of an internal control structure are to provide management with reasonable assurance that the resources are safeguarded against waste, loss, and misuse, and reliable data are recorded, maintained, and fairly disclosed in reports. The current internal controls provide the Authority with a solid base of reliable financial records from which the financial statements are prepared. These accounting controls ensure that accounting data are reliable and available to facilitate the preparation of financial statements on a timely basis. Inherent limitations should be recognized in considering the potential effectiveness of any system of internal control. The concept of reasonable assurance is based on the recognition that the cost of a system of internal control should not exceed the benefits derived and that the evaluation of those factors requires estimates and judgment by management.

State laws require an annual audit of the financial records and transactions of the Authority by a firm of independent licensed certified public accountants. The Board appoints an audit committee of three Board members to comply with this requirement. The audit committee is to meet at least four times each year with the Chief Executive Officer, the Chief Financial Officer (who is appointed by the Chief Executive Officer), and the Authority's independent public auditors to review the financial condition, operations, performance, and management of the Authority. In addition, the Chief Executive Officer appoints an internal auditor to evaluate the Authority's internal accounting and administrative control system and conduct audits relating to the Authority's financial activities.

The Authority's financial statements have received an "unqualified opinion" from Plante & Moran, PLLC, the Authority's certified public accountants. An unqualified opinion is the best opinion that an organization can receive on its financial statements. It indicates that the auditor's examination has disclosed no conditions that cause them to believe that the financial statements are not fairly stated in all material respects.

An independent audit was also performed in accordance with the requirements of the Single Audit Act Amendments of 1996 (P.L. 104-156). The auditor's reports related specifically to the single audit are immediately following the CAFR in the Compliance Section.

A third audit was performed as required under Federal Aviation Regulation, Part 158 (Passenger Facility Charges). The auditor's reports related to the schedule of Passenger Facility Charges are immediately following the CAFR in the Compliance Section.

This CAFR was prepared to meet the needs of a broad spectrum of financial statement readers and is divided into the following major sections:

Introductory Section – In addition to serving as a transmittal letter, this section provides the reader an introduction to the CAFR and the Wayne County Airport Authority. The introductory section includes background information on the reporting entity, its operations and services, accounting systems and budgetary controls, overview of the local economic conditions, its long-term financial planning, and certain other pertinent information. It is complementary to financial and analytical data offered in management's discussion and analysis and the statistical section of the CAFR discussed below.

Financial Section – The independent auditor's report, management's discussion and analysis (see pages 3-11), financial statements, notes to the financial statements, and required supplementary information are included here. These are the Authority's basic financial statements and provide an overview of the Authority's financial position. Management's discussion and analysis (MD&A) immediately follows the independent auditors' report. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Statistical Section – The supplementary information presented in this section is designed to provide additional historical perspective, context, and detail to assist a reader to understand and assess the Authority's economic condition beyond what is provided in the financial statements and notes to the financial statements. The information contained in this section is prepared by the Authority and is not part of the independent auditor's report.

Continuing Disclosure Section – The continuing disclosure schedules reflect information in accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission and as set forth in the Continuing Disclosure Undertaking for issued debt. The information contained in this section is prepared by the Authority and is not part of the independent auditor's report.

Compliance Section – This section presents schedules and footnotes prepared to meet the requirements of the U.S. Office of Management & Budget Circular A-133 as well as Federal Aviation Administration requirements applicable to The Passenger Facility Charge Program and in accordance with 14 CFR Part 158.

REPORTING ENTITY BACKGROUND

The Authority is a political subdivision and instrumentality of the Charter County of Wayne, Michigan (the County), which owns the Detroit Metropolitan Wayne County Airport (the Airport) and Willow Run Airport (together, the Airports). Until August 9, 2002, the County operated the Airports. Pursuant to an amendment to the Aeronautics Code of the State of Michigan, known as the Public Airport Authority Act (the Authority Act), Public Act 90, Michigan Public Acts of 2002, effective March 26, 2002, the Authority has operational jurisdiction of the Airports, with the exclusive right, responsibility, and authority to occupy, operate, control, and use the Airports and the Airport Hotel.

Pursuant to the Authority Act, the Authority is liable for all of the obligations with respect to the Airports, with the exception of the County's pledge of its limited tax full faith and credit, subject to constitutional, statutory, and charter tax rate limitations associated with the Airport Hotel Revenue Bonds issued by the County.

The Authority is directed and governed by a Board consisting of seven members. The governor of the state appoints two members of the Board, one member is appointed by the legislative body of the County, and four members of the Board are appointed by the Chief Executive Officer of the County. The Board appoints the Chief Executive Officer of the Authority.

AUTHORITY OPERATIONS AND SERVICES

The Authority is self-supporting, using aircraft landing fees, fees from terminal and other rentals, and revenue from parking, concessions, and various additional sources to fund operating expenses. The Authority is not taxpayer-funded. The Capital Improvement Program (CIP) is funded by bonds issued by the Authority, federal and state grants, and passenger facility charges (PFCs).

Airport Use and Lease Agreement (the Agreement)

Leases. Revenues received by the Authority in accordance with the Master Airport Revenue Bond Ordinance (Master Bond Ordinance) are derived from rentals, fees, and charges imposed upon airlines operating at the Airport under agreements relating to their use of the Airport. The following airlines are parties to such agreements: Air France, AirTran, American Airlines ("American"), Continental, Delta, Federal Express, KLM Royal Dutch Airlines ("KLM"), Lufthansa German Airlines, Mesaba, Pinnacle, Southwest, Spirit Airlines ("Spirit"), United, United Parcel Service and US Airways (collectively, the "Signatory Airlines"). KLM is not currently operating at the Airport; also, as a result of the United-Continental merger, Continental no longer operates; and as a result of the Pinnacle acquisition of Mesaba, Mesaba no longer operates.

Activity Fees. Under the Airline Agreements, the Signatory Airlines also are obligated to pay activity fees which are calculated on an Airport residual basis (the "Activity Fees"). Essentially, the Activity Fee calculation for each Operating Year is based on all airport revenue bond Debt Service (net of Debt Service paid by PFCs and federal grant funds) and all O&M Expenses for such Operating Year, <u>minus</u> all non-airline revenue for such Operating Year, all airline rental payments for such Operating Year, all international facility use fees for such Operating Year and all payments for use of the Authority-controlled airline space, if any, in each terminal for such Operating Year.

Recent Amendment to End of Year True-Up of Fees and Charges. In order to enable the Authority to issue airport revenue bonds for airfield-related capital projects without the bonds being subject to the federal alternative minimum tax, all of the Signatory Airlines recently agreed to an amendment of the Airline Agreements that revises the end of year true-up provision so that the amount to be refunded to the Signatory Airlines will be calculated by taking into account the total amount of overpayment of Activity Fees by all Signatory Airlines and the total amount of Activity Fee overpayments by all non-Signatory Airlines. All airlines, Signatory and non-Signatory, will participate in end of year refunds, not just the Signatory Airlines.

The total amount to be refunded to the Signatory Airlines and the total amount to be refunded to the non-Signatory Airlines, in respect of Activity Fee overpayments, will be based on a pro-rata allocation between the Signatory Airlines and the non-Signatory Airlines, which will reflect the same ratio as the ratio of total Activity Fees paid by the Signatory Airlines and total Activity Fees paid by the non-Signatory Airlines, respectively. The refund to the non-Signatory Airlines may be accomplished directly, or through a reduction in the non-Signatory Airlines' Activity Fees for the following Operating Year. The same provision will apply in the event of underpayments, and the Authority will charge the shortfall to non-Signatory Airlines as well as Signatory Airlines.

Weighted Majority Approval. The Airline Agreements provide that a Weighted Majority of the Signatory Airlines can approve additional capital projects for which airport revenue bonds may be issued to pay the costs. A Weighted Majority is defined as either Signatory Airlines which, in the aggregate, landed eighty-five percent (85%) or more of the landed weight of all Signatory Airlines for the preceding 12-month period for which records are available or all but one of the Signatory Airlines regardless of landed weight.

Passenger Facility Charges. The Authority is obligated under the Use and Lease Agreements to use PFCs to pay Debt Service on airport revenue bonds issued to pay the costs of certain PFC-eligible projects at the Airport. These projects include the construction of both the South Terminal and the North Terminal. The Use Airline Agreements also set forth a required priority for the application of PFCs to pay Debt Service in the event there is insufficient PFC revenue available in any Operating Year to pay all PFC-eligible debt service.

The Airline Industry

In the aftermath of the events of September 2001, the industry saw a downturn in demand for air travel. The result was five years of reported industry operating losses, totaling more than $28 billion (excluding extraordinary events). The airline industry finally gained ground in 2007 with virtually every U.S. airline posting profits. However, in 2008 and through the first half of 2009, the combination of record high fuel prices, weakening economic conditions, and a weak dollar resulted in the worst financial environment for U.S. airlines since the September 11th terrorist attacks. In response, most airlines announced significant capacity reductions, increased fuel surcharges, increased fares and fees, and adopted other measures to address the financial challenges. Whereas the capacity reductions following the events of September 11th were the direct result of terrorist threats targeting the travelling public, the industry reductions starting in late 2008 and continuing through the first half of 2009 were primarily driven by significant increases in fuel costs over a span of two and a half years, a weak dollar exacerbating the impact of stressed fuel costs, and the contraction of the U.S. economy.

In addition to capacity reductions, competitive pressures have resulted in the bankruptcy restructuring filings and consolidation of the United States airline industry. The following Signatory Airlines financially reorganized through the bankruptcy process in the last nine years: Delta, Northwest, US Airways, United and Mesaba. On December 31, 2009, Delta and Northwest merged into a single entity now operating under the Delta brand. In October 2010, United Airlines and Continental Airlines completed the merger of the two airlines, and in May 2011, Southwest Airlines completed its purchase of AirTran

Airways. American filed for Chapter 11 bankruptcy protection on November 29, 2011, and while continuing operations, remains in bankruptcy. Pinnacle and Mesaba also filed for Chapter 11 bankruptcy protection on April 1, 2012, and Pinnacle continues to operate while reorganizing.

While airlines have significantly reorganized, reduced capacity and reduced costs to increase profitability, the impact of the price of fuel remains a significant cost factor and top concern for the airline industry. Although there has been no shortage of aviation fuel since the "fuel crisis" of 1974, there have been significant increases and fluctuations in the price of fuel, and fuel prices reached record highs in 2008. According to Airlines for America (AFA), fuel has overtaken labor as the industry's top cost and, as such, fuel price is an important and uncertain determinant of an air carrier's operating economics. Any increase in fuel prices causes an increase in airline operating costs. According to Air Transport Association (ATA), every one-cent increase in price per gallon of jet fuel increases annual operating expenses by $190 million to $200 million for U.S. airlines. Although fuel prices have declined from their most elevated levels, fuel prices continue to be susceptible to, among other factors, political unrest in various parts of the world, Organization of Petroleum Exporting Countries policy, increased demand for fuel caused by the rapid growth of economies such as China and India, the levels of fuel inventory maintained by certain industries, the amounts of reserves maintained by governments, currency fluctuations, disruptions to production and refining facilities, and weather.

In 2010 and 2011, national air travel demand rebounded and scheduled passenger totals increased 2.6 and 1.8 percent, respectively, from the previous year's level. The 2011 passenger total still remained 4.0 percent below the level of 835.4 million in 2007, the peak level for passenger totals nationwide between 2000 and 2011. Globally, passenger traffic increased 5.9 percent in 2011 over 2010.

As a result of airline restructuring and increased demand, the airline industry is returning to profitability. After two years of losses in calendar years 2008 and 2009, the global airline industry reported profits of $19.2 billion in 2010 and $8.4 billion in 2011. The International Air Transport Association (IATA) is predicting a $4.1 billion profit for the global industry in 2012. Even though recovery is uneven across different regions, North American airlines profits are projected to be $1.9 billion in 2012, which is an increase from the $1.3 billion profit in 2011.

Generally, as the airline industry strengthens financially, its ability to provide service increases which should produce growth in air travel activity.

Airport Activity

The Airport ended fiscal year 2012 relatively flat with a 0.3 percent decrease in enplaned passengers, a 3.2 percent decrease in operations, a 5.3 percent increase in cargo handled, and a 1.5 percent decrease in landed weights when compared to the prior fiscal year. The Airport's activities for the years ended September 30, 2012 and 2011 were as follows:

	2012	2011	% Change
Enplanements	16,169,584	16,226,201	(0.3)%
Aircraft Operations	432,683	447,045	(3.2)%
Cargo (in metric tons)	217,374	206,345	5.3%
Landed Weights (in thousands, lbs.)	20,608,351	20,923,713	(1.5)%

The recovering demand for air travel is expected to continue and result in a moderate increase in Airport activity throughout the next fiscal year.

ACCOUNTING SYSTEM AND BUDGETARY CONTROLS

The Authority's Budget

Prior to the commencement of each fiscal year (currently October 1 to September 30), the Authority is required by the Master Bond Ordinance and Public Act 90 to prepare and adopt a budget. The budget contains an itemized statement of the estimated current operational expenses and the expenses for capital, including funds for the operation and development of the Airports under the jurisdiction of the Authority, and the amount necessary to pay the principal and interest of any outstanding bonds or other obligations of the Authority maturing during the ensuing fiscal year. The budget also contains an estimate of the revenues of the Authority from all sources for the next fiscal year.

Budgeting serves as an important management tool to plan, control, and evaluate the operations of the Authority. The Detroit Metropolitan Airport and Willow Run O&M budgets, and the Westin's budget are the Authority's annual financial plan for operating and maintaining the airports and hotel. These budgets must be sufficient to cover the operation and maintenance expenses of the airports, the debt service payable on bonds and other known financial requirements for the ensuing fiscal year. The Capital Improvement Program budget is the Authority's plan for the design and construction of major improvements and new facilities at the airports with a five-year horizon.

The Authority's basis of budgeting is in accordance to the terms of the Signatory Lease & Use Agreements with the Airlines which differs from generally accepted accounting principles – the Authority's accounting basis. The Authority has additional funds that are audited but only the Operations and Maintenance funds are budgeted.

Budgetary control is required to ensure that expenditures do not exceed appropriations. The Authority maintains this control through the use of an encumbrance system. As purchase orders are issued, corresponding amounts of appropriations are reserved by the use of encumbrances to prevent overspending. Amendments to the budget are subject to approval by the Board in accordance with the terms contained in the Board resolution adopted with the budget. The independent monitoring of the budget continues throughout the fiscal year for management control purposes. Each month, Financial Planning & Analysis (FP&A) reviews and analyzes all revenue and expense accounts to compare actual to prior year actual and to budget. The findings are reported to the Board in the monthly management report.

AUTHORITY'S ECONOMIC CONDITION

Population & Air Trade Area

The Airport resides in a region which the United States Office of Management and Budget (OMB) defines as the Detroit-Warren-Livonia Metropolitan Statistical Area (MSA) and is comprised of the six Michigan counties of Lapeer, Livingston, Macomb, Oakland, St. Clair, and Wayne. Also part of the geographic area served by the Airport are the Flint MSA which includes Genesee County; the Monroe MSA that includes Monroe County; and the Adrian Micropolitan Statistical Area which includes Lenawee County. These counties represent the primary geographical area served by the Airport and is commonly called the "Air Trade Area.". The estimated population of the Air Trade Area was 5.2 million in 2010, according to the *United States Census Bureau*. Wayne and Oakland counties are the Air Trade Area's two most populous counties and were ranked as the 15th and 32nd largest counties, respectively, in the nation for population in 2010.

Based on location, accessibility, and services available at other commercial service airports within nearby service areas, the borders of the Air Trade Area are generally established by Toledo Express Airport (TOL) to the south, Fort Wayne International Airport (FWA) to the southwest, Lansing Capital City Airport (LAN) to the west, and Bishop International Airport (FNT) to the north. The closest large hub airport to the Air Trade Area is Cleveland-Hopkins International Airport (CLE), which primarily serves its own air trade area approximately 150 miles southeast of the Airport across Lake Erie.

Other nearby airport facilities in close proximity to the Airport include the Coleman A. Young International Airport (formerly Detroit City Airport), Willow Run Airport, and Windsor International Airport across the U.S. border in Ontario, Canada. Coleman A. Young International Airport is approximately eight miles northeast of downtown Detroit; however, it has not had commercial passenger airline service since 2000. Willow Run Airport, also operated by the Authority, is located seven miles west of the Airport and serves cargo, corporate, and general aviation clients. Windsor International Airport (YQG) is located approximately nine miles southeast of downtown Detroit.

The Airport is the primary air carrier airport serving the Detroit Metropolitan area (the 18th most populous city in the United States in 2010). In calendar year 2011, the Airport ranked 11th nationwide in total aircraft operations, with 443,028 takeoffs and landings and 17th nationwide in total passengers, enplaning and deplaning approximately 32.4 million passengers.

Economy

The demand for air transportation is, to a large degree, dependent upon the demographic and economic characteristics of the geographical area served by an airport (i.e., the Air Trade Area). The Air Trade Area is home to a number of Fortune 500 companies, has seen recent improvement in employment rates, and has a high percentage of households in the highest income categories when compared to Michigan and the nation. The Air Trade area is home to 14 Fortune 500 Company Headquarters. Nine of the Air Trade Area's Fortune 500 companies are part of the automotive industry. The largest employer in the Air Trade Area as of July 2012 is the automobile manufacturer, Ford Motor, with 39,134 employees; followed by the University of Michigan (28,525 employees); automobile manufacturers General Motors (25,813 employees) and Chrysler Group (25,733 employees); and the US Government (19,033 employees). Consistently appearing near the top of the rankings, Ford Motor is ranked ninth in the Fortune 500 and General Motors, who was ranked fifteenth in 2009, is currently ranked fifth in the Fortune 500 with approximately $136.3 billion and $150.3 billion in revenues, respectively, in 2011.

A significant rebound from high employment rates experienced in the Air Trade Area between 2009 and 2011 is underway. Based on data presented in the U.S. Department of Labor's Bureau of Labor Statistics (BLS), three of the MSA's included in the Air Trade Area were ranked in the top-20 MSAs nationally (there are 327 MSAs in the United States) for year-over-year change in unemployment rates, based on preliminary data for April 2012:

- The Detroit-Warren-Livonia MSA ranked 1st nationally (tied with El Centro, CA) having experienced a 2.4 percentage point drop in the not-seasonally adjusted unemployment rate over the 12-month period, compared to a 1.0 percentage point decrease for the U.S.
- The Flint MSA ranked 4th nationally (tied with 3 other MSAs) with a 2.2 percentage point drop in the unemployment rate
- The Monroe MSA ranked 18th nationally (tied with nine other MSAs including the Battle Creek and Holland-Grand Haven MSAs which are also located in Michigan) with a 1.9 percentage point decrease in the unemployment rate.

Additionally, the BLS data indicates that each MSA included in the Air Trade Area has either experienced a significant decrease in unemployment over the last 12-months, or as in the case of the Ann Arbor MSA, continues to experience a very strong labor market. Michigan's unemployment rate (not seasonally adjusted) in 2011 is 10.3 percent, which is an improvement from the annual unemployment rate of 12.7 percent for 2010.

Although Michigan's unemployment rate has been higher than the national average over the past several years, the business climate in the region is improving. The Air Trade Area has been gaining recognition as one of the best places in the nation for new and expanded business according to the Detroit Regional Chamber. This optimistic assessment was echoed by an October 2010 article in Inc. magazine, entitled "Five Reasons to Start a Business in Detroit." In particular, the article noted the Air Trade Area's strong support network for new businesses and access to space and capital. In March 2012 Michigan's unemployment rate was recorded at 9.0%, which is only 0.6 points higher than the national rate of 8.4%. That represents the lowest spread to national averages since 2002.

Personal income is a composite measurement of market potential; and indicates the general level of affluence of local residents, which corresponds to an area's ability to afford air travel, as well as an area's attractiveness to business and leisure travelers (lower income areas often have weaker business ties to the rest of the nation and a less developed tourism infrastructure). Per capita personal income for the Air Trade Area increased at a compounded annual growth rate (CAGR) of 2.3 percent from 2002 to 2011, rising from $33,732 to $41,433. In the same time period the CAGR for Michigan was 2.9 percent and the CAGR for the United States was 3.8 percent. An additional measurement of the market's potential to generate demand for air transportation is the percentage of households in higher income categories. In 2010, 41.3 percent of households in the Air Trade Area had household incomes of $60,000 or more, which was significantly higher than the 37.1 percent of households in this income category for Michigan and the 36.9 percent of households in this income category nationwide.

Despite the severe economic stress experienced by Michigan and the Air Trade Area for most of the past decade, it appears that the Michigan economy, and by implication the Air Trade Area economy, is in the process of recovering. After significant job growth in 2011 and at the beginning of 2012, the University of Michigan economists are projecting more moderate and sustainable job growth in 2013. Michigan is projected to gain 57,400 jobs for the full year of 2012, below the 63,900 jobs added in 2011. Job growth in 2013 is projected at 49,800 jobs. As noted in the forecasts, the average job gain of 57,000 jobs per year over the four-year recovery period from the 4^{th} quarter of 2009 to the 4^{th} quarter of 2013 is comparable to the average change per year from 1971 to 2000, prior to the downturn of the 2000s.

LONG-TERM FINANCIAL PLANNING

The Authority's long-term financial planning includes the completion of certain approved capital projects and the accumulation of sufficient resources required to service the debt issued to finance these projects, as well as to operate and maintain the Airports. Under the terms of the Agreement, fees and charges paid by the Airlines are used along with other income from the Airport to service the debt issued to finance the construction program.

The Authority covenants in the Master Bond Ordinance (the Ordinance) state that the Airport's net revenues plus other available monies as defined by the Ordinance are sufficient to provide debt service coverage of 125% of the average annual debt service requirement on senior lien bonds. This coverage ratio for the year ended September 30, 2012 was in excess of the requirements at 165% of senior lien debt service and 152% of total debt service.

Capital Improvement Program

The Authority maintains an ongoing Capital Improvement Program (CIP) for the Airport system to expand, modernize, and maintain the Airports. In addition to renovations and modernization of certain existing facilities, the CIP includes construction of the principal elements of the Master Plan for each Airport. The master plans establish the framework for the CIP that is necessary for the development of the Airports.

The Authority's CIP represents current expectations of future capital needs. The current five-year plan for 2013-2017 includes planned funding of approximately $562 million and $185 million for Detroit Metropolitan and Willow Run Airports, respectively.

The Authority's funding sources for the CIP are airport revenue bonds, Passenger Facility Charges (PFCs), grants and Authority discretionary funds. Given the multiple funding sources that comprise this plan, board approval of the CIP does not imply that the source of funding has been determined. A detailed review of the CIP is published annually in December as part of Financial Planning & Analysis' Approved Budget Document.

Airport Improvement Program

Since 1986, the Authority has participated in the Airport Improvement Program (AIP), the federal government's airport grant program. The AIP provides funding for airport development, airport planning, and noise compatibility programs from the Airport and Airway Trust Fund. The AIP also provides both entitlement and discretionary grants for eligible projects. The Authority also receives grants from the State of Michigan.

Passenger Facility Charges

In 1990, Congress approved the Aviation Safety and Capacity Expansion Act, which authorized domestic airports to impose a PFC on enplaning passengers. In May 1991, the FAA issued the regulations for the use and reporting of PFCs. PFCs may be used for airport projects which meet at least one of the following criteria: preserve or enhance safety, security, or capacity of the national air transportation system; reduce noise or mitigate noise impacts resulting from an airport; or furnish opportunities for enhanced competition between or among carriers.

Since 1992, the FAA has approved six PFC applications and amendments submitted by the Airport. The Authority is currently authorized to impose and use a PFC of $4.50 per enplaned passenger up to $3.2 billion, which includes amounts for the payment of principal, interest, and other financing costs on bonds for which the proceeds are used to pay PFC-eligible costs on approved projects.

As of September 30, 2012, the Airport had received approximately $1.1 billion of PFC revenue, which includes interest earnings of approximately $73.3 million. The Airport had expended approximately $1.1 billion on approved projects. The current PFC expiration date is estimated at February 1, 2034.

OTHER INFORMATION

Awards and Achievement

The GFOA awarded the Authority a Certificate of Achievement for Excellence in Financial Reporting for its CAFR for the year ended September 30, 2011. This was the ninth consecutive year that the Authority has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. Such a CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements and are submitting this 2012 CAFR to the GFOA for consideration.

The Authority's budget process has also been recognized by the GFOA and received their Award for Distinguished Budget Presentation for fiscal years 2005 to 2012. In order to receive this award, the entity must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. The fiscal year 2013 Approved Budget document was issued to the GFOA for consideration and to Board Members in December 2012.

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staffs of the Controllers' Office and Financial Planning & Analysis. We would like to express our appreciation to all members of these divisions.

This report also could not have been possible without the leadership and support of the governing body of the Authority's Board.

Respectfully submitted,

Thomas J. Naughton	Terrence P. Teifer
Chief Executive Officer	*Chief Financial Officer*

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Wayne County Airport Authority

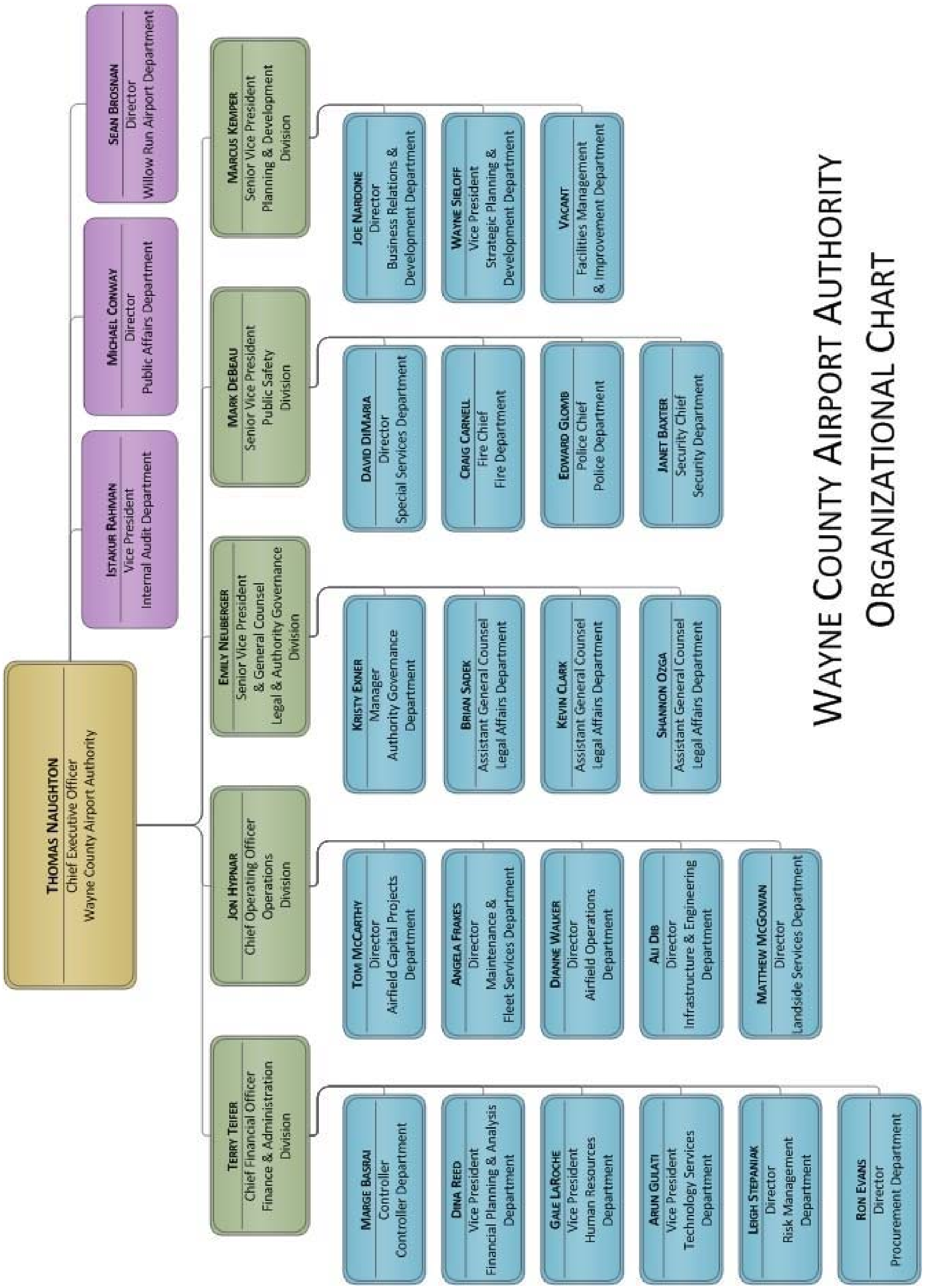
Michigan

For its Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director



WAYNE COUNTY AIRPORT AUTHORITY
ORGANIZATIONAL CHART

LIST OF PRINCIPAL OFFICIALS

Authority Board	Position	Term Expires
Mary L. Zuckerman	Chairperson	October 2014
Alfred R. Glancy, III	Vice Chairperson	October 2014
Suzanne K. Hall	Secretary	October 2016
Samuel A. Nouhan	Board Member	October 2014
Charlie J. Williams	Board Member	October 2012
Michael J. Jackson, Sr.	Board Member	October 2017
Kevin M. McNamara	Board Member	October 2018

Airport Management	Position
Thomas J. Naughton	Chief Executive Officer
Terrence P. Teifer	Chief Financial Officer
Jon Hypnar	Chief Operating Officer
Mark L. DeBeau	Sr. Vice President – Public Safety
Marcus S. Kemper	Sr. Vice President – Planning and Development
Emily K. Neuberger	Sr. Vice President and General Counsel
Arun Gulati	Vice President – Technology Services
Gale L. LaRoche	Vice President – Human Resources
Istakur Rahman	Vice President – Internal Audit
Dina A. Reed	Vice President – Financial Planning & Analysis
Wayne G. Sieloff	Vice President – Strategic Planning and Development
Margaret M. Basrai	Controller

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Independent Auditor's Report

To the Board of Directors
Wayne County Airport Authority

We have audited the accompanying financial statements of the business type activities, each major fund, and the fiduciary activities of Wayne County Airport Authority (the "Authority"), a component unit of the Charter County of Wayne, Michigan, as of and for the year ended September 30, 2012, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business type activities, each major fund, and the fiduciary activities of the Authority, as of September 30, 2012 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and required supplemental information, as identified in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Directors
Wayne County Airport Authority

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying introductory section, statistical section, and continuing disclosure section, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying schedule of expenditures of federal awards and schedule of passenger facility charge revenues and expenditures are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2013 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide opinions on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Plante & Moran, PLLC

January 18, 2013

WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2012

The following discussion and analysis provides an overview of the financial performance and activities of the Wayne County Airport Authority (the "Authority") for the year ended September 30, 2012, with selected comparative information for the year ended September 30, 2011. This discussion and analysis has been prepared by the Authority's management and should be read in conjunction with the basic financial statements and notes thereto, which follow this section.

The Authority is a business-type entity and, as such, the basic financial statements consist of three statements and notes to the basic financial statements. The three basic statements are: (a) Statement of Net Assets, which presents the assets, liabilities, and net assets of the Authority as of the end of the fiscal year; (b) Statement of Revenues, Expenses, and Changes in Net Assets, which reflects revenues and expenses recognized during the fiscal year; and (c) Statement of Cash Flows, which provides information on all the cash inflows and outflows for the Authority by major category during the fiscal year. The Authority includes a Postemployment Health Benefits Trust Fund (Fiduciary Fund) to account for the postemployment healthcare payments to qualified employees.

The financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S.) as promulgated by Governmental Accounting Standards Board (GASB) principles.

The financial statements include the operations of Detroit Metropolitan Wayne County Airport (the Airport), Willow Run Airport, and the Airport Hotel. The Authority is considered a discretely presented component unit of the Charter County of Wayne, Michigan as defined by the GASB.

THE AIRPORT FUNDING METHODOLOGY

Funding for the Airport operations is predicated upon the stipulations in the Airport Use and Lease Agreements between the Authority and the Airlines. The Airport Use and Lease Agreements set the terms of the business relationship between the Authority and the Airlines. Key terms in the Use and Lease Agreements include rental rates, activity fee methodology, utilities, etc. Once an airline signs a Use and Lease Agreement, they are designated a "Signatory Airline." The Use and Lease Agreements also determine the budget and financing (activity fee) methodology that the Authority and Airlines agree to follow. Airport budget methodologies throughout the United States are usually characterized as either compensatory or residual, although some airports have a hybrid methodology that combines both features.

The Airport operates under a residual methodology. The methodology places additional risk on the Signatory Airlines, as these Airlines guarantee the net cost of operating the entire Airport. This obligation includes operating expenses and all debt service requirements of the Airport. If the Airport incurs a deficit in a particular year, it has the ability to increase rates to all Airlines up to the amount of the deficit. Conversely, if the Airport realizes a surplus, the Airport must refund the surplus to all the Airlines. The total amount to be charged or refunded is based on a pro-rata allocation between the Signatory Airlines and the Non-Signatory Airlines, which reflects the same ratio as the ratio of total activity fees paid by each group.

The residual methodology agreed upon by the Signatory Airlines and the Authority creates a funding mechanism that is not congruent with financial statement reporting standards. Although the Airlines are required to fund any deficit of the Airport, this deficit is not equivalent to "Operating Loss" or any other designation on the financial statements. Since the Airport utilizes the residual methodology, all annual operating costs and debt service requirements of the Airport have been funded.

FINANCIAL HIGHLIGHTS

Operating revenues increased by $7.6 million (2.4%) compared to 2011. Authority airline revenues increased by $10.7 million (7.1%) compared to 2011, primarily due to an increase in terminal rental revenues of 16.3%. Authority non-airline revenues decreased by $3.1 million (1.9%) compared to 2011 and outperformed budgeted non-airline revenues by $1.3 million (1.0%). The decrease in non-airline revenue is attributable largely to a reduction in hotel revenues.

Operating expenses are $9.8 million (or 2.7%) less than fiscal year 2011 and are right on target with a 0% variance to budget. Reductions in operating expenses are primarily a result of Authority-wide initiatives to reduce specific targeted expenses by $20 million over two fiscal years. Fiscal year 2012 is the first year of the targeted expense reduction program, and the program will continue through fiscal year 2013. The reductions being implemented over this period include global wage and benefit changes (including those resulting from work force reductions), service level adjustments on contractual services, capital program changes, debt restructuring and the use of capital funds as the funding source for the salaries, wages and benefits of the Authority's planning, design and construction staff.

Non-operating expenses are $3.2 million (or 3.5%) less than fiscal year 2011. The decrease is due to a reduction in interest expense offset by an increase in the loss on disposal of assets.

In summary, the increase in net debt service to be paid by the airline rates and charges in fiscal year 2012 has been mitigated by the Authority's management of its debt and decreases in operating expenses related to the first phase of an Authority-wide cost reduction program. The net rates and charges impact to the airlines in fiscal year 2012 has been mitigated to an increase of $10.7 million (or 7.1%) compared to fiscal year 2011, and is favorable to the fiscal year 2012 budget by $5.4 million (or 3.4%).

Statement of Net Assets

The statement of net assets includes all assets and liabilities and net assets resulting from the difference between total assets and total liabilities. Assets and liabilities are generally measured using current values. One exception is capital assets, which are stated at historical cost less an allowance for depreciation. The condensed summary of the Authority's net assets as of September 30, 2012 and 2011 is:

	2012 (000's)	2011 (000's)
ASSETS:		
Current unrestricted assets	$ 115,876	$ 125,520
Restricted assets	595,038	403,628
Capital assets (net)	2,104,535	2,169,214
Other assets	25,622	23,795
Total assets	2,841,071	2,722,157
LIABILITIES:		
Current liabilities	72,502	77,321
Liabilities payable from restricted assets	115,479	99,703
Long-term liabilities	2,218,630	2,079,652
Total liabilities	2,406,611	2,256,676
NET ASSETS:		
Investment in capital assets, net of related debt	36,778	86,907
Restricted	338,786	322,488
Unrestricted	58,896	56,086
TOTAL NET ASSETS	$ 434,460	$ 465,481

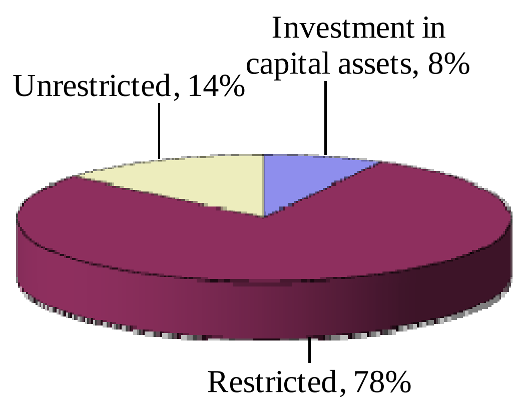
Current assets consist mainly of cash and investments, accounts receivable, and amounts due from other governmental units. Restricted assets consist of cash and investments and accounts receivable. Restricted assets and long-term liabilities increased approximately $200 million over the prior year due to the unspent bond proceeds on the 2012A and 2012B revenue bonds issued in September 2012. All cash and investments of the Authority are invested according to legal requirements established by the legislature of the State of Michigan. In accordance with State law, investments are restricted to various U.S. government securities, certificates of deposit, commercial paper, and repurchase agreements. Other assets consist primarily of bond issuance cost, net of related amortization.

In accordance with the terms of applicable ordinances, the Authority is required to restrict assets for various purposes. Net assets have been reserved related to certain restricted assets. Assets have been restricted for operations and maintenance, replacement and improvements, construction, bond and interest redemption, passenger facility charges, and drug enforcement.

Current liabilities consist mainly of accounts payable, payroll-related liabilities, self-insurance liabilities, accrued vacation and sick time, security, and performance deposits.

Net assets decreased by $31.0 million in the fiscal year ended September 30, 2012, which was an improvement over the decrease in net assets in 2011 of $59.6 million. The overall increase in operating revenues and the reduction of operating expenses due to the cost reduction program accounted for this change.

The chart below illustrates a breakdown of total net assets as of September 30, 2012:



Approximately 78 percent of the Airport's 2012 net assets are restricted for future debt service, capital construction and replacement, bond and interest redemption, and passenger facility charges, subject to federal regulations. Amounts invested in capital assets, net of related debt, account for approximately 8 percent of total net assets and represent land, intangible assets, buildings, improvements, and equipment, net of accumulated depreciation, and outstanding principal balances of debt attributable to the acquisition, construction, or improvement of those assets. The remaining net assets include unrestricted net assets of $58.9 million, which may be used to meet any of the Authority's ongoing operations. Unrestricted net asset increased 5 percent as of fiscal year end 2012.

CAPITAL ASSETS AND LONG-TERM DEBT ACTIVITY

The Authority is authorized to issue airport revenue bonds to finance the cost of capital projects and include the debt service on such bonds in the fees and charges of the Signatory Airlines only after receiving approval of a Weighted Majority for such capital projects. In November 2011, the Authority issued $169.4 million in Airport Revenue Refunding Bonds. In September 2012, the Authority issued $75.4 million in Airport Revenue Refunding Bonds and $202.7 million in Airport Revenue Bonds. As of September 30, 2012, the Authority had approximately $2.3 billion in outstanding bonded and other debt, both senior and subordinate, paying fixed and variable rates. The total annual debt service (principal and interest) was approximately $157 million in 2012 and long-term debt amounting to $71 million was paid off during the year. More detailed information on capital assets and long-term debt activity can be found in Notes 6 and 7 included in the Notes to Basic Financial Statements section of this report.

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS

The Statement of Revenues, Expenses, and Changes in Net Assets presents the operating results of the Authority, as well as the nonoperating revenues and expenses. Operating revenues include both airline and non-airline revenues and consist primarily of landing and related fees, terminal building rental and fees, parking fees, concession fees, car rental, and hotel revenues. Non-operating revenues consist primarily of passenger facility charges, federal and state grants, and interest income. Interest expense is the most significant nonoperating expense.

A summarized comparison of the Authority's revenues, expenses, and changes in net assets for the years ended September 30, 2012 and 2011 follows:

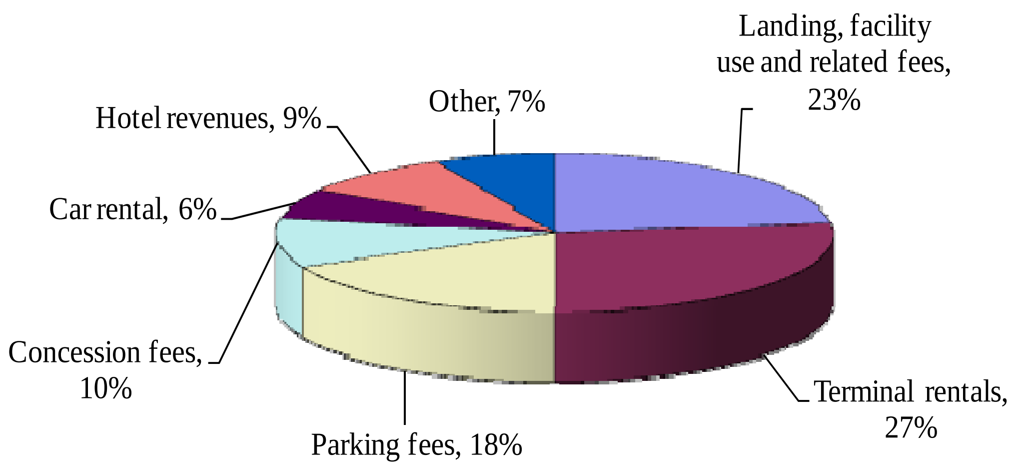
WAYNE COUNTY AIRPORT AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2012

	2012 (000's)	2011 (000's)
Operating revenues:		
Airline revenues:		
Airport landing and related fees	$ 67,300	$ 69,100
Terminal building rentals and fees	86,463	74,348
Facility use fees	7,490	7,144
Non-airline revenues:		
Parking fees	56,091	54,145
Concession fees	32,063	31,592
Car rental	19,626	18,984
Hotel	27,612	29,373
Other	21,994	26,374
Total operating revenues	318,639	311,060
Operating expenses:		
Salaries, wages, and fringe benefits	70,106	71,489
Parking management	6,048	6,794
Hotel management	20,889	22,644
Depreciation	142,828	142,754
Professional and contractual services	17,335	20,765
Utilities	26,677	24,886
Building, ground, equipment maintenance	33,246	36,348
Other	34,895	36,144
Total operating expenses	352,024	361,824
Operating loss	(33,385)	(50,764)
Nonoperating revenues (expenses):		
Passenger facility charges	62,134	62,198
Other nonoperating revenues	3,213	4,604
Interest expense	(85,514)	(91,549)
Other nonoperating expenses	(4,590)	(1,791)
Net nonoperating expenses	(24,757)	(26,538)
Net loss before capital contribution	(58,142)	(77,302)
Capital Contributions	27,121	17,751
Change in net assets	(31,021)	(59,551)
Net assets, beginning of the year	465,481	525,032
Net assets, end of the year	$ 434,460	$ 465,481

<u>Operating Revenues:</u>

The chart below illustrates the sources of total operating revenue for the year ended September 30, 2012:

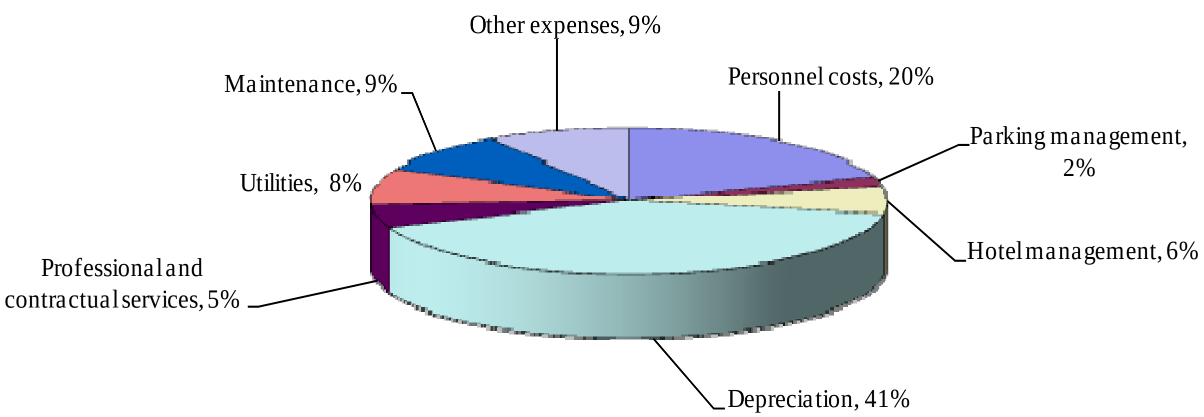


Operating revenues for the Authority increased 2.4 percent to $319 million in 2012 from $311 million in 2011.

Airline Revenues, a major category of Operating Revenues, includes revenues collected from the airlines. The chart above references terminal rentals, landing, facility use and related fees, which are all part of Airline Revenues. Airline Revenues increased 7.1 percent to $161 million in 2012 from $151 million in 2011. Terminal rental fees increased 16.3 percent to $86 million in 2012 from $74 million in 2011. The terminal rental revenues increased to 27 percent of total operating revenue in 2012, up from 24 percent in 2011. Landing fee revenues decreased 2.6 percent in 2012 to $67 million from $69 million in 2011. The change in landing rate is a 1 percent decrease over the prior year, with a final Signatory rate of $3.23 per 1,000 pounds landed weight. Another aspect of Airline Revenues are facility use fee revenues, which are driven by international deplaned passengers. International deplanements increased 7.6 percent in 2012, driving international facility use fee revenue up by 4.8 percent. Non-Airline Revenues, another major category of Operating Revenues, includes revenue received that is not collected from airlines. In fiscal year 2012, total non-airline operating revenues decreased by 1.9 percent to $157 million compared to $160 million in 2011, primarily due to decreased Hotel revenues of $1.8 million (or 6.0%). While the Hotel occupancy percentage outperformed other hotels in the area, the Airport Hotel experienced a decrease over the prior year primarily due to the mild winter season in FY12. The mild weather resulted in a decrease in revenue from stranded passengers.

Operating Expenses:

The chart below illustrates the components of total operating expenses for the year ended September 30, 2012:



Operating expenses for the Authority decreased by 2.7 percent to $352 million in 2012 from $362 million in 2011. Primary areas of operating expense reductions were in the areas of professional and contractual services, equipment repair and maintenance and parking management. Utilities costs were higher than 2011 by 7.2 percent due to increases in rates (commodity prices). Overall, expenses decreased due to Authority-wide initiatives to reduce specific targeted expenses by $20 million over two fiscal years. Fiscal year 2012 is the first year of the targeted expense reduction program, and the program will continue through fiscal year 2013. The reductions being implemented over this period include global wage and benefit changes (including those resulting from work force reductions), service level adjustments on contractual services, capital program changes, debt restructuring and the use of capital funds as the funding source for the salaries, wages and benefits of the Authority's planning, design and construction staff. The Authority also saw a reduction in expenses for snow removal services and supplies due to the mild winter season in FY12.

Nonoperating Revenues and Expenses and Contributed Capital:

Total nonoperating activities lead to a net Non-operating Expense of $24.8 million in 2012. A 44.2 percent decrease in interest income was driven by economic conditions during 2012. Interest expense decreased 6.6 percent in 2012 due partially to economic conditions and partially due to the savings realized as a result of bonds that were refunded in November 2011 and September 2012.

Revenue generated from state and federal operating grants increased 4% in 2012. Capital contributions increased 52.8 percent over the prior year to $27.1 million as the federal government awarded grants to rebuild one runway at the Airport and one runway at Willow Run Airport.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Net Assets

September 30, 2012

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Assets:				
Current assets:				
Cash and investments (note 4)	$ 80,016,719	$ 1,996,997	$ 831,081	$ 82,844,797
Accounts receivable, less allowance (note 2)	11,136,695	266,441	1,077,912	12,481,048
Due from other governmental units	17,340,544	1,557,405	—	18,897,949
Due from other funds	152,567	140,706	—	293,273
Prepaids and deposits	1,189,655	12,800	156,938	1,359,393
Total current assets	109,836,180	3,974,349	2,065,931	115,876,460
Restricted assets (notes 4 and 5):				
Cash and investments	570,372,333	—	14,714,674	585,087,007
Accounts receivable	9,944,053	—	7,029	9,951,082
Total restricted assets	580,316,386	—	14,721,703	595,038,089
Capital assets (note 6):				
Capital assets not being depreciated:				
Land and nondepreciable assets	227,696,431	15,926,984	—	243,623,415
Construction in progress	63,124,668	2,405,539	—	65,530,207
Capital assets being depreciated:				
Buildings and improvements	1,979,710,267	10,447,367	92,883,588	2,083,041,222
Equipment	66,333,907	6,710,447	747,338	73,791,692
Infrastructure	1,228,917,111	111,469,616	—	1,340,386,727
Total capital assets	3,565,782,384	146,959,953	93,630,926	3,806,373,263
Less accumulated depreciation	1,556,340,165	96,099,864	49,398,058	1,701,838,087
Net capital assets	2,009,442,219	50,860,089	44,232,868	2,104,535,176
Other assets:				
Bond issuance cost, less amortization (note 2)	18,694,719	—	3,681,993	22,376,712
Net OPEB asset (note 10)	3,245,160	—	—	3,245,160
Total other assets	21,939,879	—	3,681,993	25,621,872
Total assets	$ 2,721,534,664	$ 54,834,438	$ 64,702,495	$ 2,841,071,597

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Net Assets

September 30, 2012

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Liabilities:				
Current liabilities:				
Accounts payable	$ 31,255,454	$ 1,643,180	$ 1,677,871	$ 34,576,505
Accrued wages and benefits	1,942,500	43,933	—	1,986,433
Due to Wayne County	2,741,449	—	—	2,741,449
Due to other governmental units	1,213,168	—	—	1,213,168
Due to other funds	140,706	152,567	—	293,273
Due to fiduciary fund	2,243,722	—	—	2,243,722
Deferred revenue	1,532,467	20,166	—	1,552,633
Accrued interest payable	—	—	105,000	105,000
Bonds payable and other debt (note 7)	—	420,624	—	420,624
Other accrued liabilities	25,931,856	1,437,867	—	27,369,723
Total current liabilities	67,001,322	3,718,337	1,782,871	72,502,530
Payable from restricted assets:				
Accrued interest and other payables	31,619,226	—	1,857,278	33,476,504
Bonds payable and other debt (note 7)	80,046,437	—	1,955,771	82,002,208
Total liabilities payable from restricted assets	111,665,663	—	3,813,049	115,478,712
Long-term liabilities:				
Other accrued liabilities (note 7)	6,005,835	157,064	2,857,796	9,020,695
Bonds payable and other debt, net (note 7)	2,101,665,256	121,722	107,822,681	2,209,609,659
Total long-term liabilities	2,107,671,091	278,786	110,680,477	2,218,630,354
Total liabilities	2,286,338,076	3,997,123	116,276,397	2,406,611,596
Net assets (deficit):				
Invested in capital assets, net of related debt	50,505,893	50,317,743	(64,045,584)	36,778,052
Restricted for:				
Capital assets	5,620,806	—	11,079,000	16,699,806
Debt service	290,246,129	—	1,785,425	292,031,554
Operations	28,695,728	—	—	28,695,728
Drug enforcement	1,359,130	—	—	1,359,130
Unrestricted (deficit)	58,768,902	519,572	(392,743)	58,895,731
Total net assets (deficit)	$ 435,196,588	$ 50,837,315	$ (51,573,902)	$ 434,460,001

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Revenues, Expenses, and Changes in Net Assets

Year ended September 30, 2012

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Operating revenues:				
Airline revenues:				
Airport landing and related fees	$ 66,718,925	$ 581,042	$ —	$ 67,299,967
Terminal building rentals and related fees	85,810,442	652,940	—	86,463,382
Facility use fees	7,092,102	397,395	—	7,489,497
Nonairline revenues:				
Parking fees	56,091,494	—	—	56,091,494
Concession fees	32,063,017	—	—	32,063,017
Car rental	19,626,370	—	—	19,626,370
Hotel	—	—	27,611,922	27,611,922
Employee shuttle bus	5,210,640	—	—	5,210,640
Ground transportation	4,882,553	—	—	4,882,553
Utility service fees	4,790,462	136,910	—	4,927,372
Rental facilities	2,254,986	1,052,700	—	3,307,686
Other	3,026,882	638,042	—	3,664,924
Total operating revenues	287,567,873	3,459,029	27,611,922	318,638,824
Operating expenses:				
Salaries, wages, and fringe benefits	68,847,673	1,258,228	—	70,105,901
Parking management	6,048,290	—	—	6,048,290
Hotel management	—	—	20,888,610	20,888,610
Shuttle bus services	8,098,521	—	—	8,098,521
Janitorial services	11,480,400	17,766	—	11,498,166
Security	2,288,013	—	—	2,288,013
Professional and other contractual services	16,626,892	708,522	—	17,335,414
Utilities	25,881,665	794,789	—	26,676,454
Buildings and grounds maintenance	16,995,921	943,211	—	17,939,132
Equipment repair and maintenance	15,141,656	165,258	—	15,306,914
Materials and supplies	6,364,813	74,465	—	6,439,278
Insurance	2,370,211	28,798	—	2,399,009
Other	3,741,610	429,970	—	4,171,580
Depreciation	134,891,128	2,704,428	5,232,842	142,828,398
Total operating expenses	318,776,793	7,125,435	26,121,452	352,023,680
Operating income (loss)	(31,208,920)	(3,666,406)	1,490,470	(33,384,856)
Nonoperating revenues (expenses):				
Passenger facility charges	62,134,255	—	—	62,134,255
Federal and state grants	1,378,911	—	—	1,378,911
Net insurance recovery	23,964	—	—	23,964
Interest income	1,758,997	7,960	43,320	1,810,277
Interest expense	(79,398,249)	(32,682)	(6,083,246)	(85,514,177)
Gain (loss) on disposal of assets	(2,562,626)	7,550	—	(2,555,076)
Amortization of bond issuance costs	(1,721,925)	—	(313,682)	(2,035,607)
Net nonoperating expenses	(18,386,673)	(17,172)	(6,353,608)	(24,757,453)
Net loss before capital contributions and transfers	(49,595,593)	(3,683,578)	(4,863,138)	(58,142,309)
Capital contributions	25,208,255	1,913,223	—	27,121,478
Transfers in (out)	(357,735)	357,735	—	—
Changes in net assets	(24,745,073)	(1,412,620)	(4,863,138)	(31,020,831)
Net assets (deficit) – Beginning of year	459,941,661	52,249,935	(46,710,764)	465,480,832
Net assets (deficit) – End of year	$ 435,196,588	$ 50,837,315	$ (51,573,902)	$ 434,460,001

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Cash Flows

Year ended September 30, 2012

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Cash flows from operating activities:				
Receipts from customers and users	$ 276,099,817	$ 3,461,169	$ 27,572,858	$ 307,133,844
Payments to suppliers	(114,634,471)	(3,275,623)	(20,596,410)	(138,506,504)
Payments to employees	(69,677,091)	(1,220,099)	—	(70,897,190)
Payments to Wayne County for services provided	(933,463)	—	—	(933,463)
Payments from Wayne County for services providec	1,786	—	—	1,786
Payments (to) from other funds for services provided	993,528	(993,528)	—	—
Advances (to) from other funds for services providec	(985,926)	985,926	—	—
Return of customer deposits	(2,824,100)	(40,597)	—	(2,864,697)
Collection of customer deposits	5,750,272	33,966	—	5,784,238
Net cash provided by (used in) operating activities	93,790,352	(1,048,786)	6,976,448	99,718,014
Cash flows from noncapital financing activities:				
Passenger facility charges receivec	2,527,711	—	—	2,527,711
Transfers (to) from other funds	(200,000)	200,000	—	—
Grants from federal/state government	1,878,045	—	—	1,878,045
Net cash provided by noncapital financing activities	4,205,756	200,000	—	4,405,756
Cash flows from capital and related financing activities:				
Capital contributions received	18,771,756	502,500	—	19,274,256
Passenger facility charges received	59,806,612	—	—	59,806,612
Transfers (to) from other funds	(24,829)	24,829	—	—
Proceeds from capital debt	227,271,519	—	—	227,271,519
Principal paid on capital debt	(69,600,464)	(27,019)	(1,639,308)	(71,266,791)
Issuance costs paid on new bond issues	(3,202,835)	—	—	(3,202,835)
Insurance proceeds received from damage to capital assets	23,964	—	—	23,964
Acquisition and construction of capital assets	(71,772,002)	(1,093,092)	(150,188)	(73,015,282)
Proceeds from disposal of capital assets	182,300	7,550	—	189,850
Interest paid on capital debt	(84,657,109)	(32,682)	(5,982,075)	(90,671,866)
Net cash provided by (used in) capital and related financing activities	76,798,912	(617,914)	(7,771,571)	68,409,427
Cash flows from investing activities:				
Interest and dividends received	1,831,034	7,960	37,790	1,876,784
Purchases of investments	(209,686,022)	—	(4,215,000)	(213,901,022)
Maturities of investments	219,459,120	—	1,868,000	221,327,120
Net cash provided by (used in) investing activities	11,604,132	7,960	(2,309,210)	9,302,882
Net (decrease) increase in cash and cash equivalents	186,399,152	(1,458,740)	(3,104,333)	181,836,079
Cash and cash equivalents – Beginning of year	363,206,995	3,455,737	16,160,088	382,822,820
Cash and cash equivalents – End of year	$ 549,606,147	$ 1,996,997	$ 13,055,755	$ 564,658,899

(Continued)

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Cash Flows

Year ended September 30, 2012

	Detroit Metropolitan Airport Fund	Willow Run Airport Fund	Airport Hotel Fund	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	$ (31,208,920)	$ (3,666,406)	$ 1,490,470	$ (33,384,856)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation expense	134,891,128	2,704,428	5,232,842	142,828,398
Decrease (increase) in accounts receivable	(1,180,532)	91,095	(45,464)	(1,134,901)
Increase (decrease) in due from/to other funds	2,251,324	(7,602)	—	2,243,722
Decrease (increase) in prepaids/deposits	(15,855)	2,163	56,474	42,782
Increase in net OPEB asset	(1,476,674)	—	—	(1,476,674)
Increase (decrease) in accounts payable	277,530	(173,641)	(201,027)	(97,138)
Increase (decrease) in accrued wages and benefits	(673,638)	7,168	—	(666,470)
Increase in due to primary government	2,492,662	—	—	2,492,662
Increase in deferred revenue	474,230	603	—	474,833
Increase in due to other governmental units	36,123	—	—	36,123
Increase (decrease) in other accrued liabilities	(12,077,026)	(6,594)	443,153	(11,640,467)
Total adjustments	124,999,272	2,617,620	5,485,978	133,102,870
Net cash provided by (used in) operating activities	$ 93,790,352	$ (1,048,786)	$ 6,976,448	$ 99,718,014
Cash and investments at September 30, 2012 consist of:				
Cash and cash equivalents	$ 549,606,147	$ 1,996,997	$ 13,055,755	$ 564,658,899
Investments	100,782,905	—	2,490,000	103,272,905
Total cash and investments	$ 650,389,052	$ 1,996,997	$ 15,545,755	$ 667,931,804

Noncash capital and related financial activities:

- $354 thousand of Detroit Metropolitan Airport and $327 thousand of Willow Run Airport capital assets acquired through contributions from customers.
- The issuance of refunding bonds in Detroit Metropolitan Airport resulted in several noncash activities. The major components are as follows: $244.8 million of principal additions offset by $255.6 million of principal reductions; $14.9 million of bond premium additions; offset by $1.8 million of write-offs; additional deferred refunding charges of $7.1 million offset by $2.5 million of write-offs; bond discount and issuance cost write-offs of $1.5 million each.
- Interest expense of approximately $1.7 million was capitalized into Detroit Metropolitan Airport capital assets during 2012.

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Fiduciary Net Assets

September 30, 2012

		Postemployment Health Benefits Trust Fund
Assets:		
Cash and investments (note 4):		
Investment pool	$	16,616,007
Due from Metro Airport Fund		2,243,722
Total assets	$	18,859,729
Net Assets:		
Held in trust for postemployment health benefits	$	18,859,729

See accompanying notes to basic financial statements.

WAYNE COUNTY AIRPORT AUTHORITY

Statement of Changes in Fiduciary Net Assets

Year Ended September 30, 2012

		Postemployment Health Benefits Trust Fund
Additions:		
Investment income:		
Interest	$	199,952
Net appreciation in fair market value		253,977
Net investment income		453,929
Retirement contributions:		
Employer		6,991,317
Total additions		7,445,246
Deductions:		
Health insurance payments		2,247,595
Trustee fees		250
Other charges		1,748
Total deductions		2,249,593
Changes in net assets		5,195,653
Net assets - Beginning of year		13,664,076
Net assets - End of year	$	18,859,729

See accompanying notes to basic financial statements.

(1) The Reporting Entity

The Wayne County Airport Authority (the Authority) is an independent public benefit agency and considered an agency of the Charter County of Wayne, Michigan (the County) for the purposes of federal and state laws, but is not subject to any County charter requirements or the direction or control of either the Wayne County Executive or Commission. Pursuant to Public Act 90 (the Authority Act), Michigan Public Acts of 2002 (effective March 26, 2002), the Authority has operational jurisdiction of the Detroit Metropolitan Wayne County Airport (Metro Airport), the Willow Run Airport, and the Airport Hotel, with the exclusive right, responsibility, and authority to occupy, operate, control, and use them. The financial statements of the Authority include the operations of Metro Airport, the Willow Run Airport, and the Airport Hotel, and the Authority is included in the County's Comprehensive Annual Financial Report (CAFR) as a discretely presented component unit, in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Reporting Entity*.

The Authority is directed and governed by a board consisting of seven members. The governor of the state appoints two members of the board, one member is appointed by the legislative body of the County that owns Metro Airport, and four members of the board are appointed by the chief executive officer of the County.

Metro Airport has airport use contracts with 13 airlines. These airlines, along with their affiliates, constitute approximately 98 percent of total landed weight in 2012. Metro Airport has agreements with various concessionaires (parking, food service, rental car agencies, etc.) for which Metro Airport pays a management fee or receives a commission.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The Authority reports the following major funds:

Detroit Metropolitan Airport Fund – This fund is used to account for the operations and maintenance of the Detroit Metropolitan Wayne County Airport.

Willow Run Airport Fund – This fund is used to account for the operations and maintenance of the Willow Run Airport.

Airport Hotel Fund – This fund is used to account for the activity associated with the funding, furnishing, and operations of an airport hotel at the McNamara Terminal at the Detroit Metropolitan Wayne County Airport.

The Authority reports the following fiduciary fund type:

Postemployment Health Benefits Trust Fund – This fund is used to account for the postemployment healthcare payments to qualified employees.

(b) Basis of Accounting and Measurement Focus

The financial statements of the Authority are presented on the accrual basis of accounting and are accounted for on the flow-of-economic-resources measurement focus; revenues are recorded when earned, and expenses are recorded as incurred.

As allowed by GASB Statement No. 20, the Authority follows all GASB pronouncements and Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, except those that conflict with GASB pronouncements. The Authority has the option to apply FASB pronouncements issued after November 30, 1989, but has chosen not to do so.

(c) Cash and Investments

Cash resources of the individual funds of the Authority, except as specifically stated by ordinance, are pooled and invested. Interest on pooled investments is allocated monthly among the respective funds based on average investment balances. Interest earned but not received at year end is accrued. Investments are stated at fair market value, which is based on quoted market prices.

(d) Cash Flows

For purposes of the statement of cash flows, the Authority considers all highly liquid investments, including restricted assets, with a maturity of three months or less when purchased to be cash equivalents. All pooled investments qualify as cash equivalents.

(e) Passenger Facility Charges

The Authority assesses passenger facility charges of $4.50 per passenger enplanement. The passenger facility charges are recorded as nonoperating revenues and may only be expended on capital and noncapital projects approved by the federal government. Passenger facility charges are recorded from airlines on an accrual basis.

(f) Revenue Recognition

Operating revenues are recorded as revenues at the time services are rendered. Nonexchange transactions, in which the Authority receives value without directly giving equal value in return, include grants and capital contributions. Federal and state grants and capital contributions are recognized as revenues when the eligibility requirements, if any, are met.

(g) Net Assets

Equity is displayed in three components, as follows:

Invested in Capital, Net of Related Debt – This consists of capital assets, net of accumulated depreciation, less the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This consists of net assets that are legally restricted by outside parties or by law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, generally it is the Authority’s policy to use restricted resources first and then unrestricted resources when they are needed.

Unrestricted – This consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The Airport Hotel Fund incurred an unrestricted deficit for the year ended September 30, 2012 of $392,743. This deficit is expected to be funded by the improvement in future operations of the Hotel.

(h) Classification of Revenues and Expenses

The Authority has classified its revenues and expenses as either operating or nonoperating according to the following criteria:

Operating – Operating revenues and expenses include activities that have the characteristics of exchange transactions, such as revenues from landing and related fees and concession fees, and expenses paid to employees and vendors.

Nonoperating – Nonoperating revenues and expenses include activities that have the characteristics of nonexchange transactions that are defined as nonoperating by GASB No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*, such as revenue from federal and state grants and contributions and investment income, and expenses for capital debt.

(i) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(j) Capital Assets

Capital assets are stated at the estimated historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	10 – 50 years
Equipment/Vehicles	3 – 12 years
Infrastructure	10 – 40 years

Expenditures with a cost of $5,000 or more for capital assets and for major renewals and betterments that extend the estimated useful life of the assets are capitalized; routine maintenance and repairs are charged to expense as incurred. All costs relating to the construction of property and equipment owned by the Authority are capitalized, including salaries, employee benefits, and interest costs during construction. At the time capital assets are sold, retired, or disposed of, the costs of such assets and related accumulated depreciation are removed from the accounts, and any gain or loss is reflected in the results of operations.

(k) Compensated Absences

The Authority's employees earn vacation and sick leave benefits based, in part, on length of service. Vacation pay is fully vested when earned, and sick pay vests upon completion of two years of service. Upon separation from service, employees are paid accumulated vacation and sick pay based upon the nature of separation (death, retirement, or termination). Certain limitations have been placed on the hours of vacation and sick leave that employees may accumulate and carry over for payment at termination, retirement, or death. Unused hours exceeding these limitations are forfeited. A liability for accumulated unpaid vacation and sick pay has been recorded in the financial statements as a current "other accrued liability". Activity for the year ended September 30, 2012 was a follows:

Beginning balance	Increases	Decreases	Ending balance
$ 5,296,171	$ 3,029,395	$ (3,442,511)	$ 4,883,055

(l) Retirement Contributions and Other Postemployment Benefit Costs

Employer and employee contributions are recognized by the Wayne County Employees' Retirement System, which includes the Authority personnel, in the period in which the contributions are due. Prior service costs resulting from benefit improvements, plan amendments, actuarial gains or losses, and other reasons are generally reflected in contributions based upon a 20-year amortization period.

The Authority offers retiree healthcare benefits to retirees. The Authority receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. The Authority reports the full accrual cost equal to the current year required contribution, adjusted for interest and "adjustment to the ARC" on the beginning of year underpaid amount, if any.

In addition to the annual required contribution computed by the actuary, the Authority increased the contribution based on a calculation performed by management to take into account the impact of accelerated retirement dates on the actuarial accrued liability as a result of early retirement incentives. Management of the Authority calculated an increase of $1,970,149 to the actuarially required contribution computed by the actuary. This additional contribution has been recorded as an expense in the current year and was remitted to WCERS subsequent to September 30, 2012.

(m) Accounts Receivable

Net receivables at September 30, 2012 consist of trade receivables incurred by customers during the normal course of business. Total allowance for uncollectible accounts at September 30, 2012 was $325,000 of which $300,000 was for the Detroit Metropolitan Airport Fund and $25,000 was for the Willow Run Airport Fund.

(n) Accounts Payable

Total payables at September 30, 2012 consist of payables due to vendors used during the normal course of business.

(o) Restricted Assets and Liabilities

Restricted assets consist of cash, investments, and accounts receivable that are legally restricted by third parties to certain uses. Capital program funds are restricted to pay the costs of certain capital projects as defined in various bond agreements. PFC program funds are restricted to pay the cost of FAA approved capital projects and any debt incurred to finance those projects. Debt service funds are restricted to make payments for principal and interest as required by the specific bond agreements. Operation and maintenance funds are restricted to pay for operations at Metro Airport as required by the bond ordinance. Public safety funds obtained from seizures are restricted to specified security or public safety uses.

Liabilities payable from restricted assets are the accrued interest and current portion of long-term debt associated with the purchase and construction of the capital projects funded by the restricted assets.

(p) Interfund Balances, Advances, and Transfers

The interfund balances resulted from (1) the time lag between the dates interfund goods and services are provided or reimbursable expenditures occur, (2) the time lag between the dates payment between funds is made, and (3) overdrafts by individual funds of its share of pooled cash. Noncurrent balances arising in connection with interfund loans are reported as advances. *Due from other funds* is an asset account used to record current portions of loans from one fund to another fund within the same reporting entity. Similarly, *due to other funds* is a liability account used to record current portions of debt owed by one fund to another fund within the same reporting entity.

Interfund transfers are used to transfer unrestricted resources from one reporting fund to another to fund operations.

(q) Bond Issuance Costs

Bond issuance costs are amortized over the period the bond is outstanding, based on the ratio of debt outstanding to original debt issued. Accumulated amortization at September 30, 2012 is $18,200,319.

(r) Deferral of Gains and Losses on Refundings

The Authority defers the difference between the reacquisition price and the net carrying amount of the old debt in refundings in accordance with the provisions of GASB Statement No. 23, *Accounting and Financial Reporting for Refundings of Debt Reported by Proprietary Activities*. The deferred amount is amortized and recorded as a component of interest expense in accordance with the standard.

(s) Environmental Matters

Environmental accruals are calculated and recorded using an expected cash flow technique applied to probabilities, ranges, and assumptions developed in response to a potential remediation liability as based on current law and existing technologies. These accruals are evaluated periodically for changes due to additional assessment and remediation efforts, as well as more detailed legal or technical information. Environmental liabilities are included in the balance sheet as current and long-term "other accrued liabilities."

In certain instances, environmental remediation costs cannot be reasonably estimated; however, the nature of the matters is disclosed in the notes to the basic financial statements as commitments and contingencies. As components of the remediation efforts are able to be projected, they are calculated using an expected cash flow technique and recorded accordingly.

(t) Self Insurance

During the year ended September 30, 2004, the Authority became self-insured for disability, unemployment, and liability insurance. The Authority charges its departments a specified percentage of the department's regular biweekly payroll for these liabilities. Claims related to unemployment, disability, claim administration, deductibles, self insured retentions and legal bills are paid out of these funds. Until November 30, 2010, the Authority purchased commercial insurance for general liability claims in excess of $50,000. Since September 30, 2004, there have been four losses that have exceeded this $50,000 retention wherein the insurer has been responsible for settlement and legal fees. Beginning December 1, 2010, the maximum amount paid for legal bills and claims paid out of these funds was reduced to $10,000 per claim. The Authority now purchases general liability insurance for liability claims in excess of $10,000. Since December 1, 2010, there have been no losses that have exceeded the $10,000 retention.

During the year ended September 30, 2005, the Authority became self-insured for health insurance and workers' compensation. The Authority charges its departments a specified percentage of the department's regular biweekly payroll for these liabilities. The funds collected for workers' compensation are used to pay claims (wages and medical), third party administration services, and loss control services. The Authority purchases workers' compensation excess insurance for claims that exceed $1 million. Since September 30, 2005, there has been one claim that has exceeded our $1 million retention wherein the insurer has been responsible for settlement of all future wages, medical and legal costs. The funds collected for health insurance are used to pay self-insured claims to Blue Cross, the primary health care provider, and premiums for Health Alliance Plan, dental, and life insurance. The Authority, as part of the County's umbrella, pays Blue Cross an amount quarterly for each participant for additional stop/loss coverage. This aggregate stop/loss coverage would become effective only when a claim would exceed approximately 120 percent of average medical claims experience within the group (which includes the County). This stop/loss threshold has not been met since the Authority became self-insured.

The liability for self-insurance claims has been recorded in the financial statements as a current "other accrued liability". A reconciliation of the Authority's self-insured claims liability at September 30, 2012 follows:

		Health Insurance		Workers Compensation		Other Claims		Total
Claims liability, September 30, 2010	$	4,555,881	$	4,927,842	$	1,416,617	$	10,900,340
Claims incurred during fiscal year 2011		19,795,448		276,471		498,064		20,569,983
Payments on claims		(15,241,489)		(454,344)		(540,055)		(16,235,888)
Decrease in the reserve		(1,642,451)		(1,924,980)		(356,663)		(3,924,094)
Claims liability, September 30, 2011		7,467,389		2,824,989		1,017,963		11,310,341
Claims incurred during fiscal year 2012		17,515,243		408,958		1,363,654		19,287,855
Payments on claims		(14,986,755)		(659,047)		(716,384)		(16,362,186)
Increase (decrease) in the reserve		(6,023,667)		389,416		259,681		(5,374,570)
Claims liability, September 30, 2012	$	3,972,210	$	2,964,316	$	1,924,914	$	8,861,440

(3) Major Customer

Delta Air Lines (Delta) accounts for approximately 30 percent of total Authority operating revenues for the year ended September 30, 2012, including 46 percent of landing and related fees, 67 percent of airline rental and related fees, and 89 percent of facility use fees. Approximately 46 percent of total 2012 enplanements are attributable to Delta’s operations. In the event that Delta discontinues its operations, there are no assurances that another airline would replace its hub activities.

Existing operating agreements with all Signatory Airlines servicing the Authority require that all remaining airlines would continue to pay the net operating costs and debt service requirements of the Authority. The Authority had approximately $439 thousand in net receivables from Delta at September 30, 2012.

The airlines serving the Airport have been impacted by global events to varying degrees. Delta Air Lines filed for bankruptcy reorganization in 2005 (it has since emerged), and American Airlines filed for bankruptcy reorganization in November 2011. During 2008, Delta Air Lines completed a merger with Northwest Airlines, which was formerly the primary carrier servicing the Airport. This consolidation has affected Detroit Metropolitan Airport positively as Delta has continued to utilize Detroit as a hub and remains the primary carrier.

It is reasonable to assume that any additional financial or operational difficulties incurred by Delta, the predominant airline servicing the Airport, could have a material adverse effect on the Airport. Any financial or operational difficulties by a Signatory Airline may, whether directly or indirectly, have a material adverse impact on Airport operations.

(4) Deposits and Investments

Michigan Compiled Laws Section 129.9 1 (Public Act 20 of 1943, as amended), authorizes the Authority to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations that have offices in Michigan. The Authority is allowed to invest in bonds, securities, and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptances of United States banks; commercial paper rated within the two highest classifications that matures not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions, which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

composed of investment vehicles that are legal for direct investment by local units of government in Michigan.

The investment policy adopted by the Authority in accordance with Public Act 20 of 1943, as amended, authorizes investments in U.S. Treasuries, U.S. agencies and instrumentalities (date-specific maturities only), non-negotiable certificates of deposits, commercial paper (rated A2/P2 or above), bankers' acceptances, repurchase agreements, overnight deposits, or mutual funds. For overnight deposits, the treasurer may invest overnight or short-term liquid assets to cover cash flow requirements in the following types of pools: investment pools organized under the Surplus Funds Investment Pool Act of 1982, PA 367, 1 MCL 129.111 to MCL 129.118, or investment pools organized under the Urban Cooperation Act of 1967, PA 7, MCL 124.501 to 124.512. For mutual funds, the treasurer may invest in no-load fixed-income mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan, either taxable or tax-exempt. This authorization is limited to mutual funds whose intent is to maintain a net asset value of $1.00 per share.

The Authority cash and investments are subject to several types of risk, which are examined in more detail below.

Credit risk - In compliance with state law, the Authority's investment policy limits investments of commercial paper to the two top ratings issued by nationally recognized statistical rating organizations. As of year-end, the credit quality ratings of investments (other than the U.S. government) are as follows:

Investment		Fair value	Rating	Organization
Primary Government:				
Money market funds	$	9,837,685	AAA	S&P
Commercial paper		230,982,944	A1, P1	S&P, Moody
Commercial paper		178,543,131	A1+, P1	S&P, Moody

The above amounts do not include approximately $16.6 million of investments in the Municipal Employees' Retirement System (MERS) of Michigan Retiree Health Funding Vehicle which are held in a separate reserve but invested on a pooled basis with other governmental units by MERS.

Custodial credit risk of bank deposits - Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Authority's investment policy requires that deposits over the $250,000 insured limit in a commercial bank shall not equal more than 25% of the combined capital and surplus of that bank, and that bank must meet the minimum standards of at least one standard rating service. At year-end, the Authority had $54,134,420 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The Authority believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Authority evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with an acceptable estimated risk level are used as depositories.

Custodial credit risk of investments - Custodial credit risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority's investment policy requires that all investments not purchased directly from an issuer must be held in the name of the Authority, be purchased using the delivery vs. payment procedure, and be held in third party safekeeping. At year-end, none of the Authority's investments were subject to custodial credit risk due to one of the following:

- lnvestments were held by a third-party safe-keeper in the Authority's name.
- lnvestments were held by the Authority's trustee in the Authority's name.
- lnvestments were part of a mutual fund.

Interest rate risk – Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The Authority's investment policy addresses this risk by setting limits by investment fund type as follows:

Investment fund	Maturity maximum
General Pool	1 year
Bond Reserve	5 years
Bond Payment and Capital Interest Funds	1 business day prior to bond payment date
Construction Funds	Must match draw schedule or less

Note: All Commercial Paper is limited by state statute to 270 days maximum

At year end, the average maturities of investments subject to interest rate risk are as follows:

		Fair value	Average maturity
Primary Government:			
Investments subject to risk:			
Bond reserves:			
U.S. Treasuries	$	53,952,962	2.3 years
Long-term repo		3,629,278	9.2 years
Commercial paper		95,966,400	43 days
Bond payment funds:			
U.S. Treasuries		87,912,835	60 days
Capital interest funds:			
2003 Construction:			
Commercial paper		1,499,985	2 days
2005 Construction			
Commercial paper		5,499,945	2 days
2012A Construction			
Commercial paper		17,998,470	11 days
2012B Construction			
Commercial paper		2,998,620	58 days
Construction funds:			
2005 Construction:			
Commercial paper		1,150,000	4 months
2007 Construction:			
Commercial paper		11,799,882	2 days
2009 Construction:			
Commercial paper		3,999,760	9 days
2012A Construction:			
Commercial paper		171,014,435	17 days
2012B Construction:			
Commercial paper		23,701,962	13 days
Other construction and operating:			
Commercial paper		62,997,270	7 days
Hotel:			
Commercial paper		10,899,346	9 days
U.S. Treasuries		3,082,717	2 months
Investments subject to risk		558,103,867	
Deposits/investments not subject to risk:			
Deposits		99,990,252	
Money market funds		9,837,685	
Total Primary Government		667,931,804	
Fiduciary Fund:			
Deposits/investments not subject to risk:			
Investment pool		16,616,007	
Total Fiduciary Fund		16,616,007	
Total deposits and investments	$	684,547,811	

Concentration of credit risk – Through its investment policy, the Authority places limits on the amount the Authority may invest in any one issuer, along with the minimal capital strength of those issuers. There are also limits as to use of specific types of instruments, along with limits upon use of a single institution. These limits are as follows:

Limits using capital strength test – Maximum investment is 25% of combined capital and surplus position of that financial institution.

Limits based upon use of specific instruments:

Investment type	Limit	Actual at year-end
Bankers' acceptances	50%	- %
Repurchase agreements	25	0.5
Certificates of deposit (bank)	50	6.8
Money market funds	50	3.9
Commercial paper	60	59.8
U.S. Government	100	21.2

Authority limits based upon use of a single issuer:

Investment type	Limit
Bankers' acceptances	25% of total portfolio
Repurchase agreements	10% of total portfolio
Certificates of Deposit (bank)	33% of total portfolio
Certificates of Deposit (S&L)	5% of total portfolio

Actual year-end investments in a single issuer exceeding 5% of total portfolio are as follows:

Issuer	Investment type	Fair value	Percentage of portfolio	Rating
Abbey National NA LLC	Commercial paper	$ 230,982,944	33.74%	A1, P1
GE Capital Corp	Commercial paper	177,393,131	25.91	A1+, P1

(5) Restricted Assets

In accordance with the terms of applicable ordinances, the Authority is required to restrict assets for various purposes. Net assets have been restricted related to certain of the restricted assets. A summary of the restricted assets at September 30, 2012 is as follows:

Operations and maintenance:	
Cash and investments	$ 28,656,233
Accounts receivable	39,495
Total	28,695,728
Replacement and improvements:	
Cash and investments	376,479
Construction:	
Cash and investments	245,155,896
Accounts receivable	15,962
Total	245,171,858
Bond and interest redemption:	
Cash and investments	279,345,437
Accounts receivable	418,513
Total	279,763,950
Passenger facility charges:	
Cash and investments	30,193,832
Accounts receivable	9,477,112
Total	39,670,944
Drug enforcement:	
Cash and investments	1,359,130
Total restricted assets	$ 595,038,089

(6) Capital Assets

Capital asset activity for the year ended September 30, 2012 was as follows:

	Beginning balance	Increases	Decreases	Ending balance
Detroit Metropolitan Airport Fund:				
Capital assets not being depreciated:				
Land and nondepreciable assets	$ 226,569,280	$ 1,127,151	$ -	$ 227,696,431
Construction in progress	34,663,893	71,188,607	(42,727,832)	63,124,668
Total capital assets not being depreciated	261,233,173	72,315,758	(42,727,832)	290,821,099
Capital assets being depreciated:				
Buildings and improvements	1,972,413,546	8,739,356	(1,442,635)	1,979,710,267
Equipment	64,393,932	5,114,887	(3,174,912)	66,333,907
Infrastructure	1,200,014,537	34,053,506	(5,150,932)	1,228,917,111
Total capital assets being depreciated	3,236,822,015	47,907,749	(9,768,479)	3,274,961,285
Less accumulated depreciation for:				
Buildings and improvements	733,960,965	79,381,268	(1,014,654)	812,327,579
Equipment	43,430,132	3,886,854	(3,156,554)	44,160,432
Infrastructure	651,081,493	51,623,006	(2,852,345)	699,852,154
Total accumulated depreciation	1,428,472,590	134,891,128	(7,023,553)	1,556,340,165
Total capital assets being depreciated, net	1,808,349,425	(86,983,379)	(2,744,926)	1,718,621,120
Total Detroit Metropolitan Airport Fund capital assets, net	2,069,582,598	(14,667,621)	(45,472,758)	2,009,442,219

	Beginning balance	Increases	Decreases	Ending balance
Willow Run Airport Fund:				
Capital assets not being depreciated:				
Land and nondepreciable assets	$ 15,926,984	$ —	$ —	$ 15,926,984
Construction in progress	531,511	1,994,977	(120,949)	2,405,539
Total capital assets not being depreciated	16,458,495	1,994,977	(120,949)	18,332,523
Capital assets being depreciated:				
Buildings and improvements	9,770,038	677,329	—	10,447,367
Equipment	6,259,023	759,409	(307,985)	6,710,447
Infrastructure	111,348,667	120,949	—	111,469,616
Total capital assets being depreciated	127,377,728	1,557,687	(307,985)	128,627,430
Less accumulated depreciation for:				
Buildings and improvements	3,920,664	359,330	—	4,279,994
Equipment	4,539,295	526,519	(307,985)	4,757,829
Infrastructure	85,059,904	2,002,137	—	87,062,041
Total accumulated depreciation	93,519,863	2,887,986 *	(307,985)	96,099,864
Total capital assets being depreciated, net	33,857,865	(1,330,299)	—	32,527,566
Total Willow Run Airport Fund capital assets, net	50,316,360	664,678	(120,949)	50,860,089
Airport Hotel Fund:				
Capital assets being depreciated:				
Buildings and improvements	92,794,713	88,875	—	92,883,588
Equipment	686,025	61,313	—	747,338
Total capital assets being depreciated	93,480,738	150,188	—	93,630,926
Less accumulated depreciation for:				
Buildings and improvements	43,652,294	5,160,882	—	48,813,176
Equipment	512,922	71,960	—	584,882
Total accumulated depreciation	44,165,216	5,232,842	—	49,398,058
Total capital assets being depreciated, net	49,315,522	(5,082,654)	—	44,232,868
Total Airport Hotel Fund capital assets, net	49,315,522	(5,082,654)	—	44,232,868
Total Authority capital assets, net	$ 2,169,214,480	$ (19,085,597)	$ (45,593,707)	$ 2,104,535,176

*This amount includes a transfer of asset and accumulated depreciation between funds

(7) Long-term Debt

The detail of long-term debt at September 30, 2012 is as follows:

Detroit Metropolitan Airport Fund:		
Airport Revenue Bonds:		
Series 2002C, 3.0% to 5.375%, due 12/1/2012	$	2,105,000
Series 2002D, 5.0% to 5.5%, due 12/1/2012		6,920,000
Series 2005, 3.5% to 5.25%, due 12/1/2034		476,875,000
Series 2007A Jr. Lien, 4.85% to 5%, due 12/1/2037		177,075,000
Series 2007B, 4.0% to 5.382%, due 12/1/2028		119,390,000
Series 2008A, 4.0% to 5.75%, due 12/1/2032		124,835,000
Series 2010A, 2.0% to 5.0%, due 12/1/2018		199,635,000
Series 2010B, 4.0% to 5.0%, due 12/1/2013		4,800,000
Series 2010C, 1.5% to 5.5%, due 12/1/2022		173,145,000
Series 2010D, 1.5% to 5.5%, due 12/1/2021		26,105,000
Series 2010E1, variable, current yield at 9/30/12, 0.20%, due 12/1/2028		75,360,000
Series 2010E2, variable, current yield at 9/30/12, 0.19%, due 12/1/2028		75,000,000
Series 2010F, variable, current yield at 9/30/12, 0.21%, due 12/1/2033		124,640,000
Series 2010G, variable, current yield at 9/30/12, 1.10%, due 12/1/2028		116,000,000
Series 2011A, 4.0% to 5.0%, due 12/1/2022		152,465,000
Series 2011B, 3.0% to 5.0%, due 12/1/2020		16,965,000
Series 2012A, 3.0% to 5.0%, due 12/1/2042		177,565,000
Series 2012B, 5.0%, due 12/1/2037		25,090,000
Series 2012C, 3.0% to 4.0%, due 12/1/2020		3,885,000
Series 2012D, 3.0% to 5.0%, due 12/1/2028		71,525,000
Installment purchase contract, 4.33%, due 5/21/2023		3,337,116
Installment purchase contract, 3.7%, due 9/25/2015		136,341
Installment purchase contract, 3.54%, due 11/14/2014		142,276
Installment purchase contract, 4.05%, due 4/8/2018		237,957
Installment purchase contract, 5.31%, due 12/16/2013		100,225
Installment purchase contract, 1.77%, due 3/16/2017		284,739
Installment purchase contract, 1.77%, due 5/18/2017		830,460
Installment purchase contract, 1.77%, due 5/18/2017		218,010
Installment purchase contract, 1.64%, due 9/27/2017		832,895
Total Detroit Metropolitan Airport Fund		2,155,500,019
Willow Run Airport Fund:		
Notes payable – Washtenaw County, 0%, due 12/31/2019		141,198
Notes payable – University of Michigan, 8%, due 9/1/2013		401,148
Total Willow Run Airport Fund		542,346

Airport Hotel Fund:	
Airport Hotel Bonds:	
Series 2001A, 5.0% to 5.5%, due 12/1/2030	99,630,000
Series 2001B, 6.0% to 6.6%, due 12/1/2015	7,310,000
Other Hotel debt:	
Capital/FF&E Reserve Loan, 8%, due 11/15/2017	2,922,147
Working Capital Loan, 8%, due 11/15/2017	1,500,000
Total Airport Hotel Fund	111,362,147
Total Authority bonds payable and other debt	2,267,404,512
Add (less):	
Deferred amount on refunding	(40,957,364)
Certain bond discounts	(1,583,695)
Certain bond premiums	67,169,038
Total Authority bonds payable and other debt, net	2,292,032,491
Less current portion	82,422,832
Total Authority bonds payable and other debt, noncurrent	$ 2,209,609,659

The annual requirements to pay principal and interest on the Authority's debt outstanding at September 30, 2012 are summarized as follows:

	Principal					
	Airport Revenue Bonds	Installment Purchase Contracts	Willow Run Debt	Airport Hotel Bonds	Other Hotel Debt	Total
2013	$ 79,200,000	$ 846,437	$ 420,624	$ 1,480,000	$ 475,771	$ 82,422,832
2014	82,840,000	818,958	19,476	1,645,000	515,259	85,838,693
2015	85,515,000	774,760	19,476	1,935,000	558,026	88,802,262
2016	89,170,000	747,395	19,476	2,250,000	604,342	92,791,213
2017	91,675,000	779,704	19,476	1,990,000	2,154,502	96,618,682
2018 to 2022	472,695,000	1,854,112	43,818	20,380,000	114,247	495,087,177
2023 to 2027	518,575,000	298,653	-	35,445,000	-	554,318,653
2028 to 2032	423,955,000	-	-	41,815,000	-	465,770,000
2033 to 2037	229,525,000	-	-	-	-	229,525,000
2038 to 2042	64,470,000	-	-	-	-	64,470,000
2043	11,760,000	-	-	-	-	11,760,000
Total	$ 2,149,380,000	$ 6,120,019	$ 542,346	$ 106,940,000	$ 4,422,147	$ 2,267,404,512

	Interest					
	Airport Revenue Bonds	Installment Purchase Contracts	Willow Run Debt	Airport Hotel Bonds	Other Hotel Debt	Total
2013	$ 84,980,998	$ 198,465	$ 38,044	$ 5,522,995	$ 336,578	$ 91,077,080
2014	85,076,839	173,405	-	5,419,870	297,089	90,967,203
2015	81,115,358	150,941	-	5,301,730	254,323	86,822,352
2016	76,753,132	129,884	-	5,163,625	208,007	82,254,648
2017	72,201,495	108,658	-	5,034,650	158,847	77,503,650
2018 to 2022	292,136,856	278,880	-	22,579,937	16,144	315,011,817
2023 to 2027	187,855,987	4,870	-	15,357,138	-	203,217,995
2028 to 2032	106,671,503	-	-	4,393,125	-	111,064,628
2033 to 2037	39,630,959	-	-	-	-	39,630,959
2038 to 2042	9,891,000	-	-	-	-	9,891,000
2043	294,000	-	-	-	-	294,000
Total	$1,036,608,127	$ 1,045,103	$ 38,044	$ 68,773,070	$ 1,270,988	$ 1,107,735,332

Pursuant to the Authority Act, the Authority is liable for all of the obligations with respect to the Authority, with the exception of the County's pledge of its limited tax full faith and credit, subject to constitutional, statutory and charter tax rate limitations, associated with the $110.9 million (original issue amount) Airport Hotel Revenue Bonds, Series 2001A and 2001B issued by the County. This includes all of the County's obligations on Outstanding Senior Lien Bonds and Junior Lien Bonds issued by the County under the County's Amended and Restated Master Airport Revenue Bond Ordinance No. 319 and its predecessor Ordinance 319, as amended and supplemented by various amending and supplemental ordinances adopted by the County, including the Series Ordinance adopted for each Outstanding Series of airport revenue bonds issued there under by the County (collectively, "Ordinance 319"). Pursuant to the Authority Act, the Authority is obligated to perform all of the duties, and is bound by all of the covenants, with respect to the Authority under any ordinances (including Ordinance 319), agreements or other instruments and under law. Under the Authority Act, all airport revenue bonds issued by the Authority may be issued on a parity basis with the Outstanding Senior Lien Bonds issued by the County under Ordinance 319 and additional bonds issued by the Authority under the Master Bond Ordinance, and secured by net revenues.

Net revenues (as defined in the various bond ordinances) of Metro Airport have been pledged toward the repayment of the Airport Revenue Bonds and the Installment Purchase Contracts.

The Airport Revenue Bond Ordinances require that Metro Airport restrict assets to provide for the operations, maintenance, and administrative expenses of the subsequent month, the redemption of bond principal and interest, and for other purposes as defined in those ordinances.

In August 1993, the County entered into a $445,801 note payable agreement to purchase the Packard Hangar located at the Willow Run Airport from the University of Michigan. The agreement calls for quarterly interest payments of $9,511 commencing on September 1, 1993. Principal payments on the note are required if revenue in excess of $60,000 is generated at the Packard Hangar site during any calendar year. In this situation, half of the revenue generated would be required to be paid to the University of Michigan. On September 1, 2013, any principal and interest remaining unpaid are due.

In June 1999, the County entered into agreements with Northwest to issue approximately $15.2 million in Airport Special Facility Revenue Bonds to finance the construction of an aircraft maintenance facility. All debt service costs will be paid by the airline through a trustee. The County and the Authority are not obligated in any manner to pay debt service in the event of default by Northwest. As these bonds are payable from special facility lease rentals payable in full by Northwest, the related debt has not been reflected in the financial statements of the Authority. An "Event of Default" occurred as a result of the Northwest Airlines bankruptcy filing on September 14, 2005. Northwest Airlines has since emerged from bankruptcy and affirmed its obligation for the Series 1999 Special Facility Bonds and is no longer in default. Effective December 31, 2009, the FAA issued a single operating certificate for the integrated airline, and on the same date Northwest legally merged into Delta, resulting in a single surviving corporation known as Delta Air Lines, Inc. As a result of the merger, by operation of law, Delta has succeeded to all of the rights and obligations of Northwest.

In March 2001, the County issued $110.9 million in Airport Hotel Revenue Bonds, Series 2001A and Series 2001B. The 2001A Bonds, $99.6 million, were issued for the purpose of paying the cost of acquiring, construction, equipping, and furnishing an airport hotel (the Airport Hotel) and related improvements at the new McNamara Terminal of Metro Airport to be owned by the County. In addition, these bonds will pay capitalized interest and certain costs of issuance for this series. The 2001B Bonds, $11.3 million, were issued for the purpose of paying the County Credit Enhancement Fee, funding the Operation and Maintenance Reserve Fund, and paying capitalized interest and certain costs of issuance related to this series.

The Authority has pledged all net Airport Hotel revenues solely for the payment of the Bonds and the Parity Obligations, and a statutory first lien has been granted upon all net Airport Hotel Revenues for such purpose. In addition, the County has pledged its limited tax full faith and credit as additional security for payment of the principal, premium, if any, and interest on the Bonds, subject to constitutional, statutory, and charter tax rate limitations.

In December 2001, the County entered into a $292,133 note payable with Washtenaw County to allow Washtenaw County to use their Michigan Community Development Block Grant to assist Willow Run Airport in renovating Hangar I. The agreement calls for the principal to be paid in quarterly installments commencing March 31, 2005.

In July 2002, the County issued $102.5 million Charter County of Wayne Airport Revenue Refunding Bonds, Series 2002C and 2002D. The Series 2002C Refunding Bonds were issued to refund, on a current basis, at the earliest practicable date, the Series 1990B Bonds and the December 2002 principal amount due on the Series 1998B Bonds. The Series 2002D Refunding Bonds were issued to refund, on a current basis, at the earliest practicable date, the Series 1990A Bonds and the Series 1991B Bonds. The Series 2002 C&D Refunding Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

The County defeased the Series 1990B Bonds, the Series 1990A Bonds, the Series 1991B Bonds, and the December 2002 principal amount due on the Series 1998B Bonds by placing the proceeds of the Series 2002C and 2002D Bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. The Series 1990B, the Series 1990A, and the Series 1991B Bonds were subsequently called and paid in full in August 2002. The portion of the Series 1998B Bonds was subsequently called and paid in December 2002. The difference between the cash flows required to service the new debt and complete the refunding was approximately $15.3 million. The County estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately $14.1 million.

In November 2002, the Authority entered into two debt agreements with Westin Management Company East (the Hotel Operator). Both loans were provided for in the Hotel Management and Operating agreement. The Capital/FF&E loan was for $5 million and is to be used solely for future capital improvements to the Airport Hotel. The Working Capital Loan was for $1.5 million and was used to provide initial working capital to operate the Airport Hotel. During 2007, the Capital/FF&E loan was renegotiated with the Hotel Operator and the outstanding interest payable at December 31, 2006 was rolled into the principal amount of the loan.

The net Airport Hotel revenues are pledged solely for the payment of the Airport Hotel Bonds and these loans, and a statutory first lien has been granted upon all net Airport Hotel revenues for such purpose.

In April 2005, the Authority issued $507.1 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include the North Terminal Redevelopment Project and the completion of the McNamara Terminal Phase II Project. The Series 2005A Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

In June 2007, the Authority issued $180.4 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include the reconstruction and rehabilitation of airfield pavement, the design and construction of a centralized luggage screening facility with an in-line explosive detection system for both the McNamara and North Terminals, and improvements to parking facilities and roadways. The Series 2007A Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport and available after net revenues have first been set aside as required to pay the principal and interest and redemption price, if any, of Senior Lien Bonds as provided in the Ordinance. The Series 2007A Bonds are "Junior Lien Bonds" under the Ordinance, and a statutory lien subordinate to the prior lien in respect of Senior Lien Bonds has been established under the Ordinance upon and against the net revenues to secure the payment of the Series 2007A Bonds.

In September 2007, the Authority executed a Master Lease Purchase Agreement to finance up to $8 million in major equipment purchases over a three-year period. As of September 2010, the Authority used $1,511,137 of this agreement and has entered into four Installment Purchase Contracts to pay for equipment at Metro Airport.

In November 2007, the Authority issued $119.4 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2007B. The Series 2007B Bonds were issued to refund a portion of the Series 1998B Bonds which were initially issued to finance the cost of various capital projects at Metro Airport. The Series 2007B Bonds are revenue obligations of the Authority payable solely from the new revenues derived by the Authority from the operation of Metro Airport.

The Authority defeased a portion of the Series 1998B Bonds by placing the proceeds of the Series 2007B Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1998B Bonds were subsequently called and paid in full in December 2008. The difference between the cash flows required to service the new debt and complete the refunding was approximately $6.3 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately $7 million.

In May 2008, the Authority entered into an Installment Purchase Contract for $3,886,162 to pay for additional energy conservation improvements at Metro Airport.

During fiscal year 2008 disruption occurred in the auction rate and variable rate demand obligation markets, largely due to the credit rating downgrades of Bond Insurers, that significantly affected the Authority's variable rate hedged and unhedged debt program representing 25.74% of overall Authority debt.

Beginning in April 2008, the following refunding actions were taken to mitigate the negative financial impact to Metro Airport including the elimination of all auction rate debt and replacing bond insurance with direct pay letters of credit for all variable rate debt.

In April 2008, the Authority issued $142.3 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2008A. The Series 2008A Fixed Rate Refunding Bonds were issued to refund the Series 2002A Variable Rate Bonds which were initially issued to finance the cost of various capital projects at Metro Airport. The Series 2008A Bonds are revenue obligations of the Authority payable solely from the new revenues derived by the Authority from the operation of Metro Airport.

The Authority defeased the Series 2002A Bonds by placing the proceeds of the Series 2008A Bonds in an irrevocable trust to provide for all future debt service payments. The Series 2002A Bonds were subsequently called and paid in full in May 2008.

In December 2010, the Authority issued $722.7 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2010A, 2010B, 2010C, 2010D, 2010E-1, 2010E-2 and 2010F. The Series 2010A, 2010B, 2010C, 2010D, 2010E-1, 2010E-2 and 2010F Bonds were issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The Series 2010A Refunding Bonds were issued to refund a portion of the Series 1998A Bonds. The Series 2010B Refunding Bonds were issued to refund a portion of the Series 1998B Bonds. The Series 2010C Refunding Bonds were issued to refund a portion of the Series 2008B Bonds, a portion of the Series 2008C Bonds, the Series 2008E Bonds and the Series 2008F Bonds. The Series 2010D Refunding Bonds were issued to refund the Series 2008D Bonds. The Series 2010E-1 Refunding Bonds were issued to refund a portion of the Series 1998A Bonds. The Series 2010E-2 Refunding Bonds were issued to refund a portion of the Series 1998A Bonds. The Series 2010F Refunding Bonds were issued to refund a portion of the Series 2008B Bonds and a portion of the Series 2008C Bonds. The Series 2010A Bonds, Series 2010B Bonds, Series 2010C Bonds, Series 2010D Bonds, Series 2010E-1 Bonds, Series 2010E-2 Bonds and Series 2010F Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the refunded portions of the Series 1998A Bonds, Series 1998B Bonds, Series 2008B Bonds, Series 2008C Bonds, Series 2008D Bonds, Series 2008E Bonds and Series 2008F Bonds by placing the proceeds of the Series 2010A Bonds, Series 2010B Bonds, Series 2010C Bonds, Series 2010D Bonds, Series 2010E-1 Bonds, Series 2010E-2 Bonds and Series 2010F Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1998A Bonds, Series 1998B Bonds, Series 2008B Bonds, Series 2008C Bonds, Series 2008D Bonds, Series 2008E Bonds and Series 2008F Bonds were subsequently called and paid in full in January 2011 and February 2011. The difference between the cash flows required to service the new debt and complete the refunding was approximately $52.2 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately $25.5 million.

The Series 2010E-1 Bonds, Series 2010E-2 Bonds and Series 2010F Bonds are variable-rate bonds. The remarketing agent is responsible under an agreement with Metro Airport to establish the interest rate weekly. The interest rate is determined as the rate of interest which, in the judgment of the remarketing agent, would cause the Series 2010E-1 Bonds, Series 2010E-2 Bonds and Series 2010F Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

In December 2010, the Authority issued a $116 million Direct Placement Bond with Wells Fargo Bank, N.A., Series 2010G Bonds. The Series 2010G Bonds were issued to refund a portion of the Series 1998A Bonds which were initially issued to finance the cost of various capital projects at Metro Airport. The Series 2010G Bonds are revenue obligations of the Authority payable solely from the revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the refunded portions of the Series 1998A Bonds by placing the proceeds of the Series 2010G Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1998A Bonds were subsequently called and paid in full in January 2011. The difference between the cash flows required to service the new debt and complete the refunding was approximately $37.7 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately $26.2 million.

The Series 2010G Bonds are variable-rate bonds. Wells Fargo Bank N.A. is responsible under an agreement with Metro Airport to establish the interest rate weekly. The interest rate is determined as the rate of interest which, in the judgment of Wells Fargo Bank N.A., would cause the Series 2010G Bonds to have a market value as of the date of determination equal to the principal amount, taking into account prevailing market provisions.

In November 2011, the Authority issued $169.4 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2011A and 2011B. The Series 2011A and 2011B Bonds were issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The Series 2011A Refunding Bonds were issued to refund a portion of the Series 1998A Bonds. The Series 2011B Bonds were issued to refund a portion of the Series 2002C Refunding Bonds. The Series 2011A Bonds and Series 2011B Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the refunded portions of the Series 1998A Bonds and the refunded portions of the Series 2002C Bonds by placing the proceeds of the Series 2011A Bonds and Series 2011B Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1998A Bonds and Series 2002C Bonds were subsequently called and paid in full in December 2011 and December 2012. The difference between the cash flows required to service the new debt and complete the refunding was approximately $10.6 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately $8.1 million.

In March 2012, the Authority executed a Master Lease Purchase Agreement to finance up to $2.2 million in major equipment purchases over a nine-month period. As of September 2012, the Authority used $2,166,104 of this agreement and has entered into four Installment Purchase Contracts to pay for equipment at Metro Airport.

In September 2012, the Authority issued $202.7 million in Wayne County Airport Authority Airport Revenue Bonds to provide funds to pay a portion of the costs of certain capital improvements at Metro Airport. These projects include the reconstruction and rehabilitation of airfield pavement and parking decks/lots, the replacement and construction of support facilities, acquisition of fleet and heavy equipment, design of powerhouse control room, watermain replacements, security network upgrades and roof replacements. The Series 2012A Bonds and Series 2012B Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operation of Metro Airport.

In September 2012, the Authority issued $75.4 million in Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2012C and 2012D. The Series 2012C and 2012D Bonds were issued to refund certain outstanding indebtedness previously issued to finance or refinance the cost of various capital projects at Metro Airport. The Series 2012C Refunding Bonds were issued to refund a portion of the Series 2002C Refunding Bonds. The Series 2012D Bonds were issued to refund a portion of the Series 1998A Bonds and the Series 2002D Refunding Bonds. The Series 2012C Bonds and Series 2012D Bonds are revenue obligations of the Authority payable solely from the net revenues derived by the Authority from the operations of Metro Airport.

The Authority defeased the refunded portions of the Series 1998A Bonds, the refunded portions of the Series 2002C Bonds and the refunded Series 2002D Bonds by placing the proceeds of the Series 2012C Bonds and Series 2012D Bonds in an irrevocable trust to provide for all future debt service payments. The Series 1998A Bonds, Series 2002C Bonds and Series 2002D Bonds were subsequently called and paid in full in October 2012 and December 2012. The difference between the cash flows required to service the new debt and complete the refunding was approximately $10.0 million. The Authority estimates its minimum economic gain (difference between the present value of the debt service payments on the old and new debt) was approximately $7.8 million.

The Authority capitalizes net financing costs during construction for debt issues specifically related to construction projects. During the year ended September 30, 2012, interest expense incurred on these debt issues totaled $85,660,329. For 2012, net financing costs capitalized were $1,742,423.

In July 2012, the Authority entered into a line of credit agreement with a maximum borrowing amount of $15 million. The borrowing charge interest at a rate equal to 100 basis points over LIBOR. The line of credit agreement expires in June 2013. There were no borrowings on this line during the year ended September 30, 2012.

Long-term debt activity for the year ended September 30, 2012 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Detroit Metropolitan Airport Fund:					
Airport Revenue Bonds	$ 2,026,685,000	$ 447,495,000	$ (324,800,000)	$ 2,149,380,000	$ 79,200,000
Installment Purchase Contracts	4,354,379	2,166,104	(400,464)	6,120,019	846,437
Less:					
Deferred amount on refunding	(40,000,476)	6,100,283	(7,057,171)	(40,957,364)	-
Certain bond discounts	(1,564,451)	1,564,451	-	-	-
Add:	-			-	
Certain bond premiums	38,070,986	36,647,513	(7,549,461)	67,169,038	-
Total Detroit Metropolitan Airport Fund	2,027,545,438	493,973,351	(339,807,096)	2,181,711,693	80,046,437
Willow Run Airport Fund:					
Notes payable	569,365	-	(27,019)	542,346	420,624
Total Willow Run Airport Fund	569,365	-	(27,019)	542,346	420,624
Airport Hotel Fund:					
Airport Hotel Bonds	108,140,000	-	(1,200,000)	106,940,000	1,480,000
Other Hotel debt	4,861,455	-	(439,308)	4,422,147	475,771
Less:					
Certain bond discounts	(1,709,666)	125,971	-	(1,583,695)	-
Total Airport Hotel Fund	111,291,789	125,971	(1,639,308)	109,778,452	1,955,771
Total Long-Term Debt	$ 2,139,406,592	$ 494,099,322	$ (341,473,423)	$ 2,292,032,491	$ 82,422,832

Other long-term liability activity for the year ended September 30, 2012 was as follows:

	Beginning balance	Additions	Reductions	Ending balance	Due within one year
Detroit Metropolitan Airport Fund - Other accrued liabilities	$ 12,081,875	93,625	(1,884,998)	10,290,502	4,284,667
Willow Run Airport Fund - Other accrued liabilities	1,133,000	42,000	(72,924)	1,102,076	945,012
Airport Hotel Fund - Other accrued liabilities	2,414,643	443,153	—	2,857,796	—
Total other long-term liabilities	$ 15,629,518	578,778	(1,957,922)	14,250,374	5,229,679

(8) Commitments and Contingencies

(a) Litigation

The Authority is a defendant in a number of lawsuits and claims that have resulted from the ordinary course of providing services. The ultimate effect on the Authority's financial statements of the resolution of these matters is, in the opinion of the Authority's counsel, not expected to be material.

(b) Construction

The estimated costs to complete Metro Airport's current capital improvement program totaled $495.1 million at September 30, 2012, which will be funded by previously issued and anticipated debt, federal grants, and passenger facility charges. Unexpended commitments on construction and professional services contracts in connection with Metro Airport's program totaled $60 million at September 30, 2012.

The estimated costs to complete Willow Run Airport's current capital improvement program totaled $183 million at September 30, 2012, which will be funded with federal and state grants. Unexpended commitments on construction and professional services contracts in connection with Willow Run Airport's program totaled $2.4 million at September 30, 2012.

(c) Environmental Matters

Environmental accruals are calculated and recorded using an expected cash flow technique applied to probabilities, ranges, and assumptions developed in response to a potential remediation liability as based on current law and existing technologies. At September 30, 2012, the Authority had accrued obligations of $4.9 million for environmental remediation and restoration costs. This is management's best estimate of the costs with respect to environmental matters; however these estimates contain inherent uncertainties primarily due to unknown conditions, changing regulations, and developing technologies. In accordance with GASB Statement 49-*Accounting and Financial Reporting for Pollution Remediation Obligations*, the liability has been recorded at the current value estimated using the expected cash flow technique, a probability-weighted approach. A significant portion (51%) of the recorded environmental liabilities is related to a Consent Decree and judgment issued during 1994 that identifies the Airport as one of the fourteen responsible parties to the improvements to the Wayne County Downriver Sewage Disposal System (the System). The bulk of the remainder is for asbestos remediation estimates. See additional discussion on both below.

Downriver Sewage Disposal System

In 1994, the Environmental Protection Agency (EPA) and Michigan Department of Natural Resources (MDNR) through a federal court ruling, issued a mandate for environmental remediation of the System noting in their Financing Plan and Final Judgment RE: 1994 Court-Ordered Improvements, "Whereas, it is immediately necessary and imperative for the public health and welfare of the present and future residents of Wayne and the Downriver Communities that the improvements for the System required by the Consent Decree be planned, designed, acquired, constructed and financed to service the Downriver Communities."

The "Downriver Communities" listed as responsible parties to this decree included 13 communities as well as Metro Airport, which utilize the plant for water and sewage disposal. Total project costs were initially estimated at $230 million and financed by Wayne County (the County) through the issuance of bonds and additional State Revolving Fund (SRF) financing. Each responsible party is required to pay their allocated portion of principal and interest on the bonds and SRF bonds, as well as their portion of any subsequent debt issued to pay project costs. In August 2007, a series of completion bonds were issued to finance the estimated final costs of the project. Metro Airport has paid $6.3 million to the City of Romulus for prior year debt service as of September 30, 2012 and an additional $400 thousand to fund a bond reserve. The amounts recorded by the Authority for future debt service payments are believed to materially encompass the remaining obligation.

Asbestos Remediation

It is known that certain Metro Airport and Willow Run Airport buildings hold asbestos-containing materials (ACMs) that will need to be disposed of upon demolition of affected structures. While the pollutant is currently contained due to prior remediation efforts during the late 1980's and early 1990's, the environmental assessments have indicated that remediation will be necessary during the demolition of the affected buildings to ensure containment of the pollutants and proper disposal.

Preliminary assessments of the nature and extent of the material were performed by WCAA Environmental and have provided information to help develop an estimate remediation costs expected over time. As of September 30, 2012, the Authority recorded asbestos-related liabilities of $1.5 million and $771 thousand at Detroit Metro and Willow Run Airports, respectively.

National Pollutant Discharge Elimination System Permit Violation

During 2006, the Authority entered into a plea agreement with the United States for a misdemeanor violation of a condition and limitation in a National Pollutant Discharge Elimination System (NPDES) Permit issued by the State of Michigan. This matter pertained to a 2001 failure to report a discharge of turbid and odorous storm water directly to the Frank and Poet Drain, a waterway that flows directly into the Detroit River, near Lake Erie. The sentence prescribed by the Federal Court includes an original four-year probationary period ending 2010 and the construction and use of a force main to connect Pond 3W at the Airport to sanitary sewer lines leading to the Detroit Water and Sewerage Department's (DWSD) treatment plant. In June 2010, the Federal Court sentenced a new probation term of three years ending in 2013. The estimated cost of the project is $10 million and the Authority has incurred $9.7 million to date. The project is deemed complete upon approval by DWSD that the main can and will be operated in a manner consistent with all state and federal regulatory requirements.

Additional Remediation Matters

General Motors Corporation ("GM") and the Authority (as successor in interest to the Board of County Road Commissioners and the County of Wayne) are parties to a Lease of Land, dated October 11, 1985 (the "Lease"). Under the Lease, GM leases certain land at Willow Run Airport (the "Airport") upon which GM constructed and operates a water treatment plant, which it uses as an integral part of its operations of the GM transmission facility next to the Airport (the "GM Plant").

On June 1, 2009, GM filed for protection under Chapter 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), and pursuant to the Bankruptcy Code, GM has the right to assume or reject the Lease. On July 5, 2009, the Bankruptcy Court authorized the sale of substantially all of GM's assets to NGMCO, Inc., a U.S. Treasury-sponsored purchaser (the "Purchaser"), and on July 10, 2009, the transfer of assets to the Purchaser occurred. GM's name now has been changed to "Motors Liquidation Company" and the Purchaser's name is now "General Motors Company".

In July 2009, GM assigned the Lease to the Purchaser. Pursuant to the Assignment and Assumption document between GM and the Purchaser, GM assigned all of its rights, title and interest in the Lease to the Purchaser, and the Purchaser accepted the assignment and assumed GM's obligations under the Lease, subject to the retention by GM of certain liabilities associated with the Lease. The liabilities to be retained by GM and not assumed by the Purchaser include, among other things, all liabilities for environmental contamination, at, under or emanating from the leased premises, all liabilities for cleanup of environmental contamination, and all liabilities for noncompliance with environmental laws. As such, once the property is returned to the Authority, and assuming GM is fully dissolved, to the extent there exists environmental remediation costs, these costs will be the responsibility of the Authority.

The Purchaser operated the facility through the expiration of the Lease agreement on February 28, 2011. On March 5, 2011 Motors Liquidation Company took over operation of the facility from the Purchaser. Motors Liquidation Company then operated the facility until March 31, 2011, at which time it transferred all of its assets to Racer Trust, which continues to occupy and operate the water treatment facility. The Authority and Racer Trust are in negotiations to establish a new agreement governing the occupancy of the facility.

Additional small environmental matters were identified during 2010, including site closure of several Willow Run fuel farms. The Authority recorded liabilities totaling $54 thousand for these items as of September 30, 2012.

(9) Employee Benefits

(a) Plan Description

The Authority provides retirement benefits to its employees through the Wayne County Employees' Retirement System (WCERS), a single-employer public employee retirement system that is governed by the Wayne County Retirement Ordinance as amended. The Retirement System provides four defined benefit retirement options, two of which are contributory and one of which is a hybrid between a defined benefit and a defined contribution (together, the Defined Benefit Plan), and a Defined Contribution Plan. The Retirement System provides retirement, survivor, and disability benefits to substantially all County and Authority employees. The Retirement Board issues separate financial statements annually. Copies of these financial statements for each plan can be obtained at 28 W. Adams, Suite 1900, Detroit, Michigan 48226. The statements are also available on their website at www.wcers.org.

The Defined Benefit Plan consists of Plan Option 1, Plan Option 2, Plan Option 3, and Plan Option 5 (collectively, the Plan) and the Defined Contribution Plan, which consists of Plan Option 4 and Plan Option 5.

In 1983, the County closed the Plan 1 option of the WCERS to new hires and added two new options under the Defined Benefit Plan, which resulted in a lower final benefit to the participant.

Effective October 1, 2001, WCERS established the Wayne County Hybrid Retirement Plan #5 (Plan Option 5), which contains both a defined benefit component and a defined contribution component. Participants in the plan options previously in existence (Plan Option 1, Plan Option 2, and Plan Option 3) could elect to transfer their account balances to Plan Option 5 between October 1, 2001 and June 30, 2002. New employees could elect to participate in Plan Option 4 through September 30, 2001. Effective October 1, 2001, only Plan Option 5 is available to new employees, except for new executives who may continue to elect participation in Plan Option 4; Plan Options 1, 2, and 3 are closed to new hires.

(b) Contributions

Participants in Plan Option 1 contribute 2.00 percent to 6.58 percent of annual compensation, depending on years of credited service. The Sheriff's command officers and deputies contribute 5.0 percent of annual compensation. Participants in Plan Option 2 do not make plan contributions, but receive a lower final benefit. Plan Option 3 participants make contributions of 3.0 percent of covered compensation and receive a lower final benefit. Participants in Plan Option 5 with 1.25/1.5 percent multiplier contribute 0 percent of covered compensation depending on the collective bargaining agreement; individuals with 2 percent multiplier contribute 1 or 5 percent of pay, depending on the collective bargaining agreement.

The obligation to contribute and to maintain the Plan for these employees was established by negotiations with the County's collective bargaining units. Total Authority employer and employee contributions during the year ended September 30, 2012 were $5,515,944 and $6,417,377, respectively.

The following represents the Authority's annual pension costs as of September 30, 2012:

	Three-year trend information		
	Annual pension cost (APC)	**Percentage of APC contributed**	**Net pension obligation**
Year ended September 30:			
2010	$ 2,905,248	100%	$ —
2011	3,357,849	100	—
2012	5,515,944	100	—

(c) Pension Benefits

Benefits are paid monthly over the member's or survivor's lifetime, after meeting normal retirement or duty disability retirement requirements, which vary by option, based on the following percentages of average final compensation, for each year of credited service:

Plan Option 1 – 2.65 percent for each year of service. Maximum Authority-financed portion is 75 percent of average final compensation (less workers' compensation payments). Minimum monthly pension is $5 times years of service.

Plan Option 2 – 1 percent for each year up to 20 years and 1.25 percent for each year over 20 years. Maximum Authority-financed portion is 75 percent of average final compensation.

Plan Option 3 – 1.5 percent for each year up to 20 years, 2 percent for each year between 20 and 25 years, and 2.5 percent for each year over 25 years. Maximum Authority-financed portion is 75 percent of average final compensation (less workers' compensation payments).

Plan Option 5 – 1.25 percent for each year up to 20 years and 1.5 percent for each year over 20 years. Maximum pension is 75 percent of average final compensation (less workers' compensation payments).

Death and disability benefits – The Plan also provides nonduty death and disability benefits to members after 10 years of credited service for Plan Options 1 and 5, along with nonduty disability for Plan Option 2 and nonduty death benefits for Plan Option 3. The 10-year service provision is waived for duty disability and death benefits for Plan Options 1 and 5 and duty disability for Plan Option 2.

(d) Wayne County Employees' Retirement System Defined Contribution Plan

The Wayne County Employees' Retirement System instituted a Defined Contribution Plan (Plan Option 4 and Plan Option 5) under the County's Enrolled Ordinance No. 86-486 (November 20, 1986), as amended. The Plan was established to provide retirement, survivor, and disability benefits to County and Authority employees. The administration, management, and responsibility for the proper operation of the Plan are vested in the trustees of the Wayne County Retirement Commission.

Under Plan Option 4, the Authority contributes $4.00 for every $1.00 contributed by each member or, for eligible executives, $5.00 for every $1.00 contributed by each member, with the member contributions ranging from 1.0 percent to 2.5 percent (3 percent for employees with 20 or more years of service and 3 percent for eligible executives with 10 or more years of service) of base compensation. Employees hired prior to July 1, 1984 are eligible to transfer from the WCERS Defined Benefit Plan to the Plan through September 30, 2002.

Classified employees are vested as to employer contributions after three years of service, and executive members are vested after two years of service.

In Plan Option 4, members are able to receive loans from the Defined Contribution Plan. Only active employees with a vested account balance of $2,000 or more are eligible. Interest on the loans is at the rate of five-year Treasury notes plus 300 basis points (3 percent), rounded to the nearest quarter of a percent.

Participants in Plan Option 5 contribute 3 percent of gross pay. The Authority makes matching contributions at a rate equal to the amount contributed by each employee. Classified employees are vested at 50 percent after one year of service, 75 percent after two years of service, and 100 percent after three years of service. All full-time, permanent Authority employees are eligible to join the Plan. Those employees hired prior to July 1, 1984 were eligible to transfer from the WCERS Defined Benefit Plan to the Plan through September 30, 2002. Effective October 1, 2001, the County closed Plan Option 4 to new hires. Plan Option 5 is available to all persons hired after September 30, 2001.

The obligation to contribute and to maintain the Plan for these employees was established by negotiations with the Authority's collective bargaining units. Total Authority employer and employee contributions to the Plan during 2012 were $2,875,377 and $1,232,618, respectively.

(10) Other Postemployment Benefits

<u>Wayne County Airport Authority Act 149 Health Care Fund</u>

(a) *Plan Description*

As provided for in the Authority Act, the Authority, through the County, provides hospitalization and other health insurance for retirees pursuant to agreements with various collective bargaining units or other actions of the Wayne County Board of Commissioners, the Wayne County Retirement Board, or the Authority Board. Benefits are provided to retirees under the age of 65 and their eligible dependents, and the cost of federal Medicare premiums and supplemental hospitalization is paid for retirees over 65 and their eligible dependents, as these costs are incurred by the retirees. The County also pays the cost of basic retiree life insurance, up to $5,000 per employee, on a pay-as-you-go basis. Currently, the plan has 633 members (including 485 Authority employees in active service and 148 retired Authority employees and beneficiaries currently receiving benefits who retired after September 1, 2002).

This is a single employer defined benefit plan administered by the County. The plan does not issue a separate stand-alone financial statement.

(b) ***Funding Policy***

In accordance with GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans* and GASB No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the Authority created in September 2008 an Act 149 Health Care Trust. This trust provides a funding mechanism for post-2002 retiree health, dental and life insurance coverage and other postemployment benefits other than pensions. The Authority began funding the trust and fully implemented GASB Statements No. 43 and No. 45 in September 2008. In September 2012, the Authority transferred these funds into a Municipal Employees' Retirement System (MERS) of Michigan Retiree Health Funding Vehicle, which is held in a separate reserve, but invested on a pooled basis by MERS with other governmental units. The balance as of September 30, 2012 in this restricted plan is $16,616,007. Employees in Executive Service, GAA Executive, Local 502 and Local 3317 bargaining units are required to contribute either 10 percent of the Blue Cross Blue Shield illustrative rate or 10% of the HAP premium. The Authority has no obligation to make contributions in advance of when the costs are incurred; however, the Authority's financial plan is to fund these obligations annually based upon the actuarial recommended contribution. Administrative costs of the trust are paid with employer contributions to the trust.

(c) ***Funding Progress***

For the year ended September 30, 2012, the Authority has estimated the cost of providing retiree health care benefits through an actuarial valuation as of October 1, 2010. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	$	5,533,171
Interest on the prior year's net OPEB obligation		(141,479)
Add adjustment to the annual required contribution		122,951
Annual OPEB cost		5,514,643
Amounts contributed:		
Payments of current premiums		(2,247,595)
Advance funding		(4,743,722)
Increase in net OPEB asset		(1,476,674)
OPEB asset - beginning of year		(1,768,486)
OPEB asset - end of year	$	(3,245,160)

The annual OPEB costs, the percentage contributed to the plan and the net OPEB asset for the current and two preceding years were as follows:

	Fiscal Year Ended September 30					
		2010		2011		2012
Annual OPEB Costs	$	4,803,647	$	5,481,951	$	5,514,643
Percentage contributed		119.1%		97.2%		126.8%
Net OPEB asset	$	(1,921,843)	$	(1,768,486)	$	(3,245,160)

The funding progress of the plan as of the most recent valuation date is as follows:

Valuation as of October 1, 2010		
Actuarial value of assets	$	10,117,975
Actuarial accrued liability (AAL)	$	68,178,387
Unfunded AAL (UAAL)	$	58,060,412
Funded ratio		14.8%
Annual covered payroll		N/A
Ratio of UAAL to covered payroll		N/A

(d) ***Actuarial Methods and Assumptions***

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required as supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the October 1, 2010 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included an 8 percent investment rate of return, which is the expected long-term investment return on plan assets, a projected 3 percent salary increase, and an annual healthcare cost trend rate of 8.5 percent initially, reduced to an ultimate rate of 5 percent after seven years. The UAAL is being amortized on an open basis using the straight-line method (level percent of pay amortized annually) over 30 years.

Wayne County Health and Welfare Plan (Pre-2002)

(a) Plan Description

As provided for in the Authority Act, the Authority, through the County, provides hospitalization and other health insurance for retirees pursuant to agreements with various collective bargaining units or other actions of the Wayne County Board of Commissioners, the Wayne County Retirement Board, or the Authority Board. Benefits are provided to retirees under the age of 65 and their eligible dependents, and the cost of federal Medicare premiums and supplemental hospitalization is paid for retirees over 65 and their eligible dependents, as these costs are incurred by the retirees. The County also pays the cost of basic retiree life insurance, up to $5,000 per employee, on a pay-as-you-go basis. Currently, the plan has 3,660 members, which includes retirees for the County and the Authority that retired before September 1, 2002. The plan is closed to new members.

This is a cost sharing multiple employer defined benefit plan administered by the County. The plan does not issue a separate stand-alone financial statement.

(b) Funding Policy

The benefits of the plan are established by the various collective bargaining agreements. Employees are not required to contribute to the plan. The Authority is required to contribute 11.25 percent of incurred costs to the plan. The required and actual contributions for the current and two preceding years were as follows:

	Fiscal Year Ended September 30		
	2010	2011	2012
Required contribution	$ 3,313,630	$ 3,180,914	$ 3,149,251
Actual contribution	$ 3,313,630	$ 3,180,914	$ 3,149,251
% of required contribution made	100.0%	100.0%	100.0%

(11) Subsequent Events

Effective October 1, 2012, the Authority started providing retirement benefits to its employees under Plan 4A for all new hires through WCERS. Participants and the Authority contribute four and eight percent of annual compensation, respectively and the participant may contribute an additional seven-and-one-half percent of compensation with no matching Authority contribution. Employee contributions are one hundred percent vested and the Authority contributions are subject to a three year vesting schedule. All other retirement plans were closed to new hires at that time.

(12) Upcoming Reporting Changes

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement incorporates into GASB literature certain accounting and financial reporting guidance issued on or before November 30, 1989 that is included in FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins of the AICPA Committee on Accounting Procedure. The Authority is currently evaluating the impact this standard will have on the financial statements when adopted during the Authority’s 2013 fiscal year.

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The statements will be effective for the Authority’s 2013 fiscal year. The statement incorporates deferred outflows of resources and deferred inflows of resources, as defined by GASB Concepts Statement No. 4, into the definitions of the required components of the residual measure of net position, formerly net assets. This Statement also provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position. Once implemented, this Statement will impact the format and reporting of the balance sheet.

In March 2012, the GASB issued Statement No. 65, *Items previously Reported as Assets and Liabilities,* which is required to be implemented for financial statements for periods beginning after December 15, 2012. Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows and inflows of resources, certain items that were previously report as assets and liabilities. The Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources. Statement No. 65 will be implemented for the Authority during the 2014 fiscal year.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions.* Statement No. 68 requires governments providing defined benefit pensions to recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The Statement also enhances accountability and transparency through revised note disclosures and required supplementary information (RSI). The Authority is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for financial statements for the year ended September 30, 2015.

REQUIRED SUPPLEMENTARY INFORMATION

WAYNE COUNTY AIRPORT AUTHORITY

Required Supplementary Information

September 30, 2012

Wayne County Airport Authority Act 149 Health Care Fund

The schedule of funding progress is as follows (in millions):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
10/1/2006	$ -	$ 46.9	$ 46.9	0.0%	N/A	N/A
10/1/2007	$ -	$ 54.6	$ 54.6	0.0%	N/A	N/A
10/1/2008	$ 3.1	$ 52.9	$ 49.8	5.9%	N/A	N/A
10/1/2009	$ 6.6	$ 65.7	$ 59.1	10.1%	N/A	N/A
10/1/2010	$ 10.1	$ 68.2	$ 58.1	14.8%	N/A	N/A

The schedule of employer contributions is as follows:

Year Ended September 30	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
2008	10/1/2006	$ 4,454,663	89.2%
2009	10/1/2007	$ 5,318,912	128.7%
2010	10/1/2008	$ 4,914,922	116.4%
2011	10/1/2009	$ 5,571,393	95.6%
2012	10/1/2010	$ 5,533,171	126.4%

The information presented about was determined as part of the actuarial valuations at the dates indicated. Additional information as of October 1, 2010 the latest actuarial valuation follows:

Actuarial Cost Method	Projected Unit Credit
Amortization method	Level percent of pay amortized annually
Amortization period (open)	30 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	8.00%
Projected salary increases	3.00%

STATISTICAL SECTION
(UNAUDITED)

STATISTICAL SECTION

This section of the Wayne County Airport Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

CONTENTS

<u>Financial Trends</u> – *Exhibits S-1, S-2*

These exhibits contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.

<u>Revenue Capacity</u> – *Exhibits S-2 to S-5*

These exhibits contain information to help the reader assess the factors affecting the Authority's ability to generate revenue.

<u>Debt Capacity</u> – *Exhibits S-6 to S-8*

These exhibits present information to help the reader assess the affordability of the Authority's current levels of outstanding debt and the Authority's ability to issue additional debt in the future.

<u>Demographic & Economic Information</u> – *Exhibits S-10 series*

These exhibits offer demographic and economic indicators to help the reader understand the environment within which the Authority's financial activities take place and to help make comparisons over time with other entities. In certain instances, due to the nature of the Authority's operations, 10 years of data may not be necessary for readers to understand the Authority's environment or to make comparisons with other entities. In these instances, less than 10 years of data may be presented.

<u>Operating Information</u> – *Exhibits S-4, S-5, S-9, S-11, S-12*

These exhibits contain information about the Authority's operations and resources to help the reader understand how the Authority's financial information relates to the services the Authority provides and the activities it performs. In the case of *S-11* and *S-12* , due to the nature of the Authority's operations, 10 years of data may not be necessary for readers to understand the Authority's environment or to make comparisons with other entities. In these instances, less than 10 years of data may be presented.

<u>Sources:</u> Unless otherwise noted, the information in these exhibits is derived from the comprehensive annual financial reports of the relevant year.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-1

Annual Revenues, Expenses, and Changes in Net Assets

(Unaudited)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Operating revenues:										
Airport landing and related fees	$ 67,299,967	69,099,578	70,172,024	60,059,740	84,607,837	59,512,753	60,738,124	73,872,334	89,178,691	82,583,060
Concession fees	51,689,387	50,575,848	47,974,977	48,424,882	51,851,089	50,242,144	47,350,937	44,496,491	42,569,958	41,654,131
Parking fees	56,091,494	54,145,257	48,309,486	49,911,261	58,682,741	58,858,882	53,026,292	46,003,468	38,842,280	32,806,472
Hotel	27,611,922	29,372,498	26,828,936	23,246,792	31,496,580	33,382,432	30,535,204	29,213,232	24,834,017	10,834,274
Rental facilities	107,353,758	96,449,901	91,822,952	90,110,146	53,748,737	53,145,882	48,582,712	46,009,056	39,266,093	40,225,929
Expense recoveries	4,927,372	5,010,457	4,445,747	4,535,773	4,721,175	4,249,853	3,729,632	3,821,869	3,484,448	2,937,840
Other	3,664,924	6,406,295	7,542,765	4,470,468	5,603,796	7,121,369	9,041,090	7,971,371	5,615,349	9,906,586
Total operating revenues	318,638,824	311,059,834	297,096,887	280,759,062	290,711,955	266,513,315	253,003,991	251,387,821	243,790,836	220,948,292
Nonoperating revenues:										
Passenger facility charges	62,134,255	62,197,495	60,305,754	59,711,453	68,202,594	70,754,074	67,831,365	70,694,871	67,901,716	63,370,379
Federal and state grants	1,378,911	1,326,034	1,264,891	1,089,499	2,192,613	5,962,547	12,110,868	15,673,226	10,065,228	8,478,808
Interest income and other	1,834,241	3,390,214	5,021,589	7,310,241	28,603,234	46,903,106	43,339,574	19,695,210	7,174,260	6,520,467
Total nonoperating revenues	65,347,407	66,913,743	66,592,234	68,111,193	98,998,441	123,619,727	123,281,807	106,063,307	85,141,204	78,369,654
Total revenues	383,986,231	377,973,577	363,689,121	348,870,255	389,710,396	390,133,042	376,285,798	357,451,128	328,932,040	299,317,946
Operating expenses:										
Salaries, wages, and fringe benefits	70,105,901	71,489,016	70,060,439	75,098,962	77,942,240	72,396,333	68,648,870	66,623,493	62,191,329	61,418,718
Parking management	6,048,290	6,794,062	6,504,949	7,082,235	8,905,534	10,325,232	9,754,453	10,647,259	9,726,476	15,757,657
Hotel management	20,888,610	22,644,120	20,032,541	18,693,537	23,032,852	24,054,417	22,271,550	21,870,313	19,671,787	12,687,714
Janitorial services	11,498,166	11,164,616	10,988,244	10,599,304	2,422,889	2,433,551	2,047,401	2,010,248	3,436,194	5,483,889
Security	2,288,013	2,401,473	2,293,067	2,657,120	2,757,886	3,433,065	3,501,437	3,462,682	3,324,401	3,770,824
Utilities	26,676,454	24,886,104	26,691,836	27,700,377	30,429,231	26,570,574	23,021,456	21,827,924	20,303,099	19,947,988
Repairs, professional services, and other	71,689,848	79,689,990	74,617,012	69,556,874	84,887,031	75,042,299	78,310,637	83,477,087	89,905,438	71,012,644
Depreciation	142,828,398	142,754,436	146,151,075	146,151,805	129,574,853	121,087,982	115,853,648	103,631,906	100,235,010	96,882,107
Total operating expenses	352,023,680	361,823,817	357,339,163	357,540,214	359,952,516	335,343,453	323,409,452	313,550,912	308,793,734	286,961,541
Nonoperating expenses:										
Interest expense	85,514,177	91,549,044	105,913,828	116,392,802	94,925,971	105,855,656	106,822,360	92,389,419	83,572,858	87,293,710
Loss on disposal of assets	2,555,076	—	—	1,104,513	6,214,429	317,452	42,544	—	—	—
Amortization of bond issuance costs	2,035,607	1,902,952	2,161,678	1,942,959	2,315,453	2,267,001	2,294,476	2,105,484	1,857,822	1,582,619
Total nonoperating expenses	90,104,860	93,451,996	108,075,506	119,440,274	103,455,853	108,440,109	109,159,380	94,494,903	85,430,680	88,876,329
Total expenses	442,128,540	455,275,813	465,414,669	476,980,488	463,408,369	443,783,562	432,568,832	408,045,815	394,224,414	375,837,870
Capital contributions	27,121,478	17,750,671	29,137,352	36,318,566	54,816,676	66,212,355	39,806,394	39,938,986	60,334,091	26,386,612
Change in net assets	$ (31,020,831)	(59,551,565)	(72,588,196)	(91,791,667)	(18,881,297)	12,561,835	(16,476,640)	(10,655,701)	(4,958,283)	(50,133,312)
Net assets at year end composed of:										
Invested in capital assets, net of related debt	36,778,052	86,906,586	120,302,294	151,759,863	170,385,938	131,815,887	180,192,710	235,042,203	369,007,593	439,424,598
Restricted	338,786,218	322,488,477	358,386,114	405,007,255	430,322,283	471,545,803	384,747,891	386,024,617	273,179,286	217,328,386
Unrestricted	58,895,731	56,085,769	46,343,989	40,853,475	37,745,179	53,973,007	79,832,261	99,185,995	88,721,637	79,113,815
Total net assets	$ 434,460,001	465,480,832	525,032,397 [2]	597,620,593	638,453,400	657,334,697	644,772,862 [1]	720,252,815	730,908,516	735,866,799

[1] In 2006, the Authority restated beginning net assets to $661,249,502. This amount less the 2006 decrease in net assets is used to arrive at ending net assets.

[2] In 2010, the Authority restated beginning net assets by $50,958,860. This amount less the increase/decrease in net assets is used to arrive at ending net assets.

Source: Audited Financial Statements of the Wayne County Airport Authority.

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-2

Principal Revenue Sources and Revenues per Enplaned Passenger

(Unaudited)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Airline revenues:										
Airport landing and related fees	$ 67,299,967	$ 69,099,578	$ 70,172,024	$ 60,059,740	$ 84,607,837	$ 59,512,753	$ 60,738,124	$ 73,872,334	$ 89,178,691	$ 82,583,060
Terminal building rentals and fees	86,463,382	74,347,911	71,852,635	67,703,125	28,972,704	28,621,629	26,992,072	25,831,713	24,992,399	26,155,830
Facility use fees	7,489,497	7,143,733	6,302,145	6,468,964	8,159,193	7,962,948	7,073,579	7,568,033	6,460,040	6,269,348
Total airline revenues	161,252,846	150,591,222	148,326,804	134,231,829	121,739,734	96,097,330	94,803,775	107,272,080	120,631,130	115,008,238
Percentage of total revenues	42.0%	39.8%	40.8%	38.5%	31.2%	24.6%	25.2%	30.0%	36.7%	38.4%
Non-Airline revenues:										
Parking fees	56,091,494	54,145,257	48,309,486	49,911,261	58,682,741	58,858,882	53,026,292	46,003,468	38,842,280	32,806,472
Concession fees	32,063,017	31,592,316	30,702,401	30,885,107	30,358,313	29,382,953	28,175,773	26,415,027	25,846,018	25,893,985
Car rental	19,626,370	18,983,532	17,272,576	17,539,775	21,492,776	20,859,191	19,175,164	18,081,464	16,723,940	15,760,146
Hotel	27,611,922	29,372,498	26,828,936	23,246,792	31,496,580	33,382,432	30,535,204	29,213,232	24,834,017	10,834,274
Employee shuttle bus	5,210,640	5,869,315	5,467,240	5,655,355	5,773,430	5,253,731	4,959,535	5,331,254	4,544,805	5,860,035
Ground transportation	4,882,553	4,944,291	4,738,700	6,510,045	7,055,550	7,394,349	5,911,719	4,134,289	1,110,046	504,500
Utility service fees	4,927,372	5,010,457	4,445,747	4,535,773	4,721,175	4,249,853	3,729,632	3,821,869	3,484,448	2,937,840
Rental facilities	3,307,686	4,144,651	3,462,232	3,772,657	3,787,860	3,913,225	3,645,807	3,143,767	2,819,528	1,940,716
Other	3,664,924	6,406,295	7,542,765	4,470,468	5,603,796	7,121,369	9,041,090	7,971,371	4,954,624	9,402,086
Total non-airline revenues	157,385,978	160,468,612	148,770,083	146,527,233	168,972,221	170,415,985	158,200,216	144,115,741	123,159,706	105,940,054
Percentage of total revenues	41.0%	42.5%	40.9%	42.0%	43.4%	43.7%	42.0%	40.3%	37.4%	35.4%
Nonoperating revenues:										
Passenger facility charges	62,134,255	62,197,495	60,305,754	59,711,453	68,202,594	70,754,074	67,831,365	70,694,871	67,901,716	63,370,379
Federal and state grants	1,378,911	1,326,034	1,264,891	1,089,499	2,192,613	5,962,547	12,110,868	15,673,226	10,065,228	8,478,808
Interest	1,810,277	3,241,109	4,941,344	7,310,241	28,082,306	45,948,105	43,328,283	19,194,846	7,174,260	6,520,467
Other	23,964	149,105	80,245	—	520,928	955,001	11,291	500,364	—	—
Total nonoperating revenues	65,347,407	66,913,743	66,592,234	68,111,193	98,998,441	123,619,727	123,281,807	106,063,307	85,141,204	78,369,654
Percentage of total revenues	17.0%	17.7%	18.3%	19.5%	25.4%	31.7%	32.8%	29.7%	25.9%	26.2%
Total revenues	$ 383,986,231	377,973,577	363,689,121	$ 348,870,255	$ 389,710,396	$ 390,133,042	$ 376,285,798	$ 357,451,128	$ 328,932,040	$ 299,317,946
Enplaned passengers	16,169,584	16,226,201	15,876,381	15,941,132	17,831,231	18,108,090	17,799,932	18,286,282	17,316,780	16,278,233
Total revenue per enplaned passenger	$ 23.75	23.29	22.91	21.88	21.86	21.54	21.14	19.55	18.99	18.39
Airline revenue per enplaned passenger	9.97	9.28	9.34	8.42	6.83	5.31	5.33	5.87	6.97	7.07

Source: Audited Financial Statements of the Wayne County Airport Authority.

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-3

Airlines Rates and Charges **

(Unaudited)

		2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Landing Fees:											
Signatory Airlines [1]	$	3.23	3.26	3.44	2.83	3.58	2.37	2.49	2.74	3.74	3.44
Non-Signatory Airlines [2]		4.04	4.08	4.30	3.39	3.79	3.01	4.21	3.97	4.64	4.08
General Aviation [3]		1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.38	1.00	0.75
Facility Use Fees:											
South Terminal	$	5.00	5.00	5.00	5.00	4.50	4.50	4.50	4.50	4.50	4.50
North Terminal		5.00	5.00	5.00	5.00	—	—	—	—	—	—
Smith/Berry Terminals		—	—	—	—	3.50	3.50	3.50	3.50	3.50	3.50
Terminal Rental Rates (per SF per year):											
Office Space – Airline	$	—	—	—	—	19.71	19.71	19.71	19.71	19.71	17.92
South Terminal - Signatory Airlines [1]		60.00	57.70	54.51	52.00	—	—	—	—	—	—
South Terminal - Non-Signatory Airlines		69.00	69.00	68.00	60.00	—	—	—	—	—	—
North Terminal - Signatory Airlines [1]		118.00	51.20	65.17	61.00	—	—	—	—	—	—
North Terminal - Non-Signatory Airlines		136.00	78.00	88.00	71.00	—	—	—	—	—	—
Cargo Building/Warehouse		8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00
Aircraft Ramp		0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	0.96	1.00
Unimproved Land		0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.31	0.32
Electric		4.67	4.67	4.67	1.24	1.24	1.24	1.24	1.24	1.24	1.20

** The revenue bases to which these rates are applied and their principal payers can be found in Schedules S-2 and S-4.

[1] Calculated pursuant to the formulas set forth in the Airport Use and Lease Agreement. The agreement provides the calculation of the annual landing fee and terminal rental rates, with rate adjustments at mid-year, if required.

[2] Average billed rate per 1,000 lbs. MGLW.

[3] General aviation rates are charged at Willow Run Airport only and represent an average of the tiered rates applied per 1,000 lbs. MGLW.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-4

Airline Landed Weights

(in thousands of pounds)

(Unaudited)

	Detroit Metropolitan Airport							
	2012		2011		2010		2009	
Airline [1]	Landed weights	Share	Landed weights	Share	Landed weights	Share	Landed weights	Share
Northwest/Delta Air Lines [2]	9,655,644	46.9%	10,153,498	48.5%	10,369,432	51.4%	11,333,666	54.0%
Pinnacle	3,237,417	15.7	2,743,336	13.1	2,817,713	14.0	2,616,584	12.5
Northwest/Delta (Atlantic Southeast) [2]	1,110,252	5.4	795,381	3.8	104,058	0.5	1,474	0.0
Northwest/Delta (Comair) [2]	942,080	4.6	1,115,580	5.3	669,929	3.3	187,696	0.9
Spirit Airlines	749,026	3.6	752,623	3.6	637,083	3.2	690,048	3.3
Southwest Airlines	718,796	3.5	732,074	3.5	668,576	3.3	706,040	3.4
Federal Express	461,450	2.2	409,567	2.0	361,807	1.8	374,202	1.8
US Airways	454,827	2.2	422,444	2.0	380,154	1.9	377,506	1.8
American Airlines	300,395	1.5	318,885	1.5	312,306	1.5	399,070	1.9
Northwest/Delta (Compass) [2]	288,096	1.4	371,436	1.8	438,616	2.2	596,054	2.8
AirTran Airways	223,800	1.1	241,608	1.2	225,504	1.1	240,496	1.1
Northwest/Delta (Shuttle America) [2]	221,668	1.1	—	—	—	—	—	—
Northwest/Delta (Chatauqua) [2]	217,005	1.1	—	—	—	—	—	—
American (American Eagle	195,133	0.9	180,815	0.9	193,235	1.0	155,625	0.7
United Parcel Service	168,483	0.8	171,832	0.8	171,234	0.8	171,687	0.8
Lufthansa	146,790	0.7	147,477	0.7	142,243	0.7	174,062	0.8
Air France	146,639	0.7	146,476	0.7	138,582	0.7	122,641	0.6
Mesaba	144,408	0.7	872,731	4.2	1,202,839	6.0	1,484,510	7.1
Frontier	124,080	0.6	143,844	0.7	126,776	0.6	140,742	0.7
Continental Airlines	104,889	0.5	168,642	0.8	174,752	0.9	233,049	1.1
United Airlines	61,218	0.3	73,693	0.4	64,056	0.3	161,068	0.8
Lufthansa Cargo	31,390	0.2	—	—	—	—	—	—
Continental (ExpressJet)	30,257	0.1	70,638	0.3	93,195	0.5	76,524	0.4
KLM	—	—	—	—	—	—	74,970	0.4
British Airways	—	—	—	—	—	—	—	—
United (Air Canada)	—	—	—	—	—	—	—	—
Aeromexico	—	—	—	—	—	—	—	—
Independence Air	—	—	—	—	—	—	—	—
American Trans Air	—	—	—	—	—	—	—	—
Atlantic Coast Air	—	—	—	—	—	—	—	—
Other [3]	874,608	4.2	891,133	4.2	875,175	4.3	686,932	3.1
Total	20,608,351	100.0%	20,923,713	100.0%	20,167,265	100.0%	21,004,646	100.0%

[1] Signatory Affiliate Airlines are associated based on 2012 affiliations and shown in parentheses to major carrier name.
All historical landed weights for these affiliates are shown on one line regardless of prior affiliation

[2] Northwest Airlines merged with and into Delta Air Lines on December 31, 2009 and for comparative purposes, are shown as one on this repo

[3] Includes airlines no longer serving Detroit Metro or carriers with insignificant activity.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

(Continued)

Detroit Metropolitan Airport

2008		2007		2006		2005		2004		2003	
Landed weights	Share	Landed weights	Share	Landed weights	Share	Landed weights	Share	Landed weights	Share	Landed weights	Share
13,604,011	58.2%	14,856,034	61.0%	14,723,198	61.1%	16,766,206	64.8%	16,892,256	66.7%	16,247,175	66.0%
2,516,756	10.8	2,402,170	9.9	2,227,894	9.2	2,186,581	8.4	1,757,142	6.9	1,246,064	5.0
64,185	0.3	44,137	0.2	40,937	0.2	12,220	—	21,929	0.1	10,951	0.1
125,020	0.5	137,273	0.6	137,285	0.6	191,421	0.7	189,889	0.8	185,601	0.8
925,981	4.0	1,116,697	4.6	952,127	3.9	877,491	3.4	937,300	3.7	943,670	3.8
833,750	3.6	883,222	3.6	656,164	2.7	648,992	2.5	658,960	2.6	662,963	2.7
477,212	2.0	525,479	2.2	482,405	2.0	479,467	1.9	493,409	1.9	480,983	1.9
397,966	1.7	435,733	1.8	393,666	1.6	454,692	1.8	548,455	2.2	637,774	2.5
506,633	2.2	538,336	2.2	548,634	2.3	621,399	2.4	701,026	2.8	805,564	3.3
173,768	0.7	—	—	—	—	—	—	—	—	—	—
240,128	1.0	302,472	1.2	237,816	1.0	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—	—	—
107,737	0.5	116,715	0.5	93,732	0.4	43,656	0.2	—	—	—	—
195,473	0.8	204,976	0.8	211,295	0.9	195,519	0.8	193,016	0.8	183,217	0.7
243,753	1.0	229,272	0.9	150,863	0.6	151,089	0.6	155,152	0.6	147,460	0.6
114,617	0.5	116,552	0.5	119,720	0.5	44,044	0.2	—	—	—	—
1,118,993	4.8	679,531	2.8	1,371,475	5.7	1,818,552	7.0	1,583,408	6.3	1,805,442	7.3
147,774	0.6	152,353	0.6	116,166	0.5	36,220	0.1	—	—	—	—
254,628	1.1	259,645	1.1	276,009	1.1	286,972	1.1	298,145	1.2	373,464	1.5
317,477	1.4	339,795	1.4	335,201	1.4	334,306	1.3	491,974	1.9	496,162	2.0
—	—	—	—	—	—	—	—	—	—	—	—
85,836	0.4	93,465	0.4	96,004	0.4	92,214	0.4	96,519	0.4	81,539	0.3
80,214	0.3	—	—	—	—	—	—	—	—	115,368	0.5
107,202	0.5	209,479	0.9	118,431	0.5	153,285	0.6	150,523	0.6	107,573	0.4
28,994	0.1	28,960	0.1	29,070	0.1	27,443	0.1	33,957	0.1	29,908	0.1
9,432	0.0	—	—	—	—	—	—	—	—	—	—
—	—	—	—	16,262	0.1	105,750	0.4	14,570	0.1	—	—
—	—	—	—	—	—	—	—	10,396	0.0	68,727	0.3
—	—	—	—	—	—	—	—	60,511	0.2	75,159	0.2
681,370	3.0	684,407	2.7	775,286	3.2	359,736	1.3	19,173	0.1	—	—
23,358,910	100.0%	24,356,703	100.0%	24,109,640	100.0%	25,887,255	100.0%	25,307,710	100.0%	24,704,764	100.0%

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-5

Enplaned Passengers

(Unaudited)

Detroit Metropolitan Airport

Airline [1]	2012 Passenger enplanements	2012 Share	2011 Passenger enplanements	2011 Share	2010 Passenger enplanements	2010 Share	2009 Passenger enplanements	2009 Share	2008 Passenger enplanements	2008 Share
Domestic:										
AirTran Airways	197,524	1.22%	202,162	1.25%	201,664	1.27%	219,085	1.37%	216,149	1.21%
America West	—	—	—	—	—	—	—	—	—	—
American (AA Eagle)	162,633	1.01	154,136	0.95	161,692	1.02	125,766	0.79	85,637	0.48
American Airlines	269,593	1.68	275,990	1.70	284,813	1.79	346,775	2.18	442,012	2.48
American Trans Air (ATA)	—	—	—	—	—	—	—	—	—	—
Champion Air	—	—	—	—	—	—	—	—	—	—
Continental (ExpressJet)	25,960	0.16	59,888	0.37	86,581	0.55	63,765	0.40	63,856	0.36
Continental Airlines	81,867	0.51	150,106	0.93	150,053	0.95	193,026	1.21	210,747	1.18
Northwest/Delta (Atlantic Southeast) [2]	885,230	5.47	650,836	4.01	83,690	0.53	1,289	0.01	58,351	0.33
Northwest/Delta (Chautauqua) [2]	217,573	1.35	168,194	1.04	95,086	0.60	4,798	0.03	9,211	0.05
Northwest/Delta (Comair) [2]	811,218	5.02	945,095	5.82	540,781	3.41	145,990	0.92	90,839	0.51
Northwest/Delta (Compass) [2]	241,508	1.49	312,578	1.93	340,262	2.14	439,785	2.76	144,644	0.81
Northwest/Delta (Mesaba Aviation) [2]	123,066	0.76	721,808	4.45	949,610	5.98	1,042,785	6.54	811,681	4.55
Northwest/Delta (Pinnacle) [2]	2,698,992	16.69	2,254,208	13.89	2,186,627	13.77	2,066,229	12.96	2,043,385	11.46
Northwest/Delta (Shuttle America) [2]	190,663	1.18	85,863	0.53	4,462	0.03	10,599	0.07	36,813	0.21
Northwest/Delta Airlines [2]	6,349,263	39.27	6,651,576	40.99	7,328,799	46.16	7,894,790	49.52	9,555,525	53.59
Frontier	125,186	0.77	140,291	0.86	117,044	0.74	117,396	0.74	126,580	0.71
Independence Air	—	—	—	—	—	—	—	—	—	—
Ryan International	—	—	—	—	—	—	—	—	—	—
Southwest Airlines	645,208	3.99	611,582	3.77	553,612	3.49	523,304	3.28	595,944	3.34
Spirit Airlines	711,134	4.40	703,335	4.33	558,596	3.52	591,150	3.71	802,424	4.50
Trans Meridian	—	—	—	—	—	—	—	—	—	—
United (Atlantic Coast)	—	—	—	—	—	—	—	—	—	—
United (GoJet)	34,532	0.21	57,089	0.35	66,206	0.42	56,837	0.36	—	—
United (Mesa)	43,702	0.27	19,733	0.12	29,999	0.19	47,908	0.30	43,380	0.24
United (Skywest)	33,205	0.21	25,264	0.16	68,400	0.43	31,407	0.20	24,640	0.14
United Airlines	46,767	0.29	45,605	0.28	36,467	0.23	94,542	0.59	239,332	1.34
US Airways	366,277	2.27	340,664	2.10	303,451	1.91	313,774	1.97	331,934	1.86
US Airways (Air Wisconsin)	71,394	0.44	81,860	0.50	76,414	0.48	95,658	0.60	104,993	0.59
US Airways (Mesa)	37,154	0.23	19,074	0.12	22,387	0.14	22,640	0.14	47,464	0.27
US Airways (PSA)	10,716	0.07	5,990	0.04	5,860	0.04	15,747	0.10	38,059	0.21
US Airways (Republic)	80,347	0.50	111,361	0.69	112,838	0.71	74,785	0.47	23,992	0.13
USA 3000	—	—	153	—	2,226	0.01	19,823	0.12	79,304	0.44
Other [3]	341,568	2.11	118,091	0.71	246,425	1.54	62,738	0.40	44,232	0.26
Total Domestic	14,802,280	91.57	14,912,532	91.89	14,614,045	92.05	14,622,391	91.74	16,271,128	91.25
International:										
Aeromexico	—	—	—	—	—	—	2,053	0.01	5,942	0.03
Air Canada	14,887	0.09	12,340	0.08	6,875	0.04	5,956	0.04	13,678	0.08
Air France	82,675	0.51	76,568	0.47	70,685	0.45	55,233	0.35	45,947	0.26
Airtran	10,295	0.06	11,436	0.07	5,849	0.04	271	—	—	—
British Airways	—	—	—	—	—	—	—	—	20,491	0.11
Compass	—	—	—	—	13,301	0.08	26,608	0.17	—	—
KLM-Royal Dutch Airlines	—	—	—	—	—	—	40,196	0.25	41,753	0.23
Lufthansa	64,854	0.40	67,952	0.42	65,568	0.41	72,884	0.46	102,121	0.57
Mesaba Aviation	—	—	67	—	19,583	0.12	45,248	0.28	37,906	0.21
Northwest/Delta Air Lines	1,119,589	6.92	1,065,984	6.57	921,973	5.81	1,009,773	6.33	1,204,927	6.76
Northwest/Delta (Comair)	—	—	—	—	20,851	0.13	—	—	—	—
Northwest/Delta (Pinnacle)	18,094	0.11	44,711	0.28	97,518	0.61	—	—	—	—
Royal Jordanian Airlines	15,143	0.09	14,051	0.09	15,258	0.10	14,822	0.09	16,434	0.09
Spirit Airlines	23,339	0.14	15,579	0.10	12,274	0.08	16,928	0.11	19,464	0.11
US Airways	1,459	0.01	1,493	0.01	1,997	0.01	1,853	0.01	—	—
Other [3]	16,969	0.10	3,488	0.02	10,604	0.07	26,916	0.16	51,440	0.30
Total International	1,367,304	8.43	1,313,669	8.11	1,262,336	7.95	1,318,741	8.26	1,560,103	8.75
Grand Total	16,169,584	100.00%	16,226,201	100.00%	15,876,381	100.00%	15,941,132	100.00%	17,831,231	100.00%

[1] Signatory Affiliate Airlines are associated based on 2012 affiliations and shown in parentheses to major carrier name.

All historical enplanements for these affiliates are shown on one line regardless of prior affiliations.

[2] Northwest Airlines merged with and into Delta Air Lines on December 31, 2009 and for comparative purposes, are shown as one in this report.

[3] Includes airlines no longer serving Detroit Metro or carriers with insignificant activity.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

(Continued)

Detwroit Metropolitan Airport									
2007		2006		2005		2004		2003	
Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share	Passenger enplanements	Share
239,410	1.32%	182,972	1.03	—	—	—	—	—	—
241,961	1.34	259,600	1.46%	267,776	1.46%	215,539	1.24%	217,906	1.34%
91,529	0.51	73,918	0.42	32,203	0.18	—	—	—	—
443,530	2.45	440,680	2.48	471,863	2.58	446,589	2.58	497,564	3.06
—	—	—	—	—	—	8,027	0.05	39,887	0.25
34,462	0.19	34,055	0.19	31,283	0.17	31,195	0.18	35,235	0.22
70,559	0.39	73,606	0.41	62,265	0.34	63,440	0.37	52,790	0.32
219,751	1.21	226,707	1.27	226,260	1.24	234,109	1.35	259,989	1.60
37,242	0.21	32,646	0.18	8,316	0.05	4,867	0.03	5,324	0.03
—	—	—	—	—	—	—	—	—	—
94,044	0.52	91,216	0.51	108,322	0.59	103,012	0.59	115,244	0.71
—	—	—	—	—	—	—	—	—	—
457,948	2.53	900,785	5.06	1,108,615	6.06	973,875	5.62	1,032,906	6.35
1,915,685	10.58	1,663,236	9.34	1,477,582	8.08	1,201,651	6.94	798,915	4.91
—	—	33,902	0.19	4,385	0.02	—	—	—	—
10,324,808	57.02	10,207,929	57.35	10,915,338	59.69	10,654,864	61.53	9,951,780	61.11
121,456	0.67	91,097	0.51	28,184	0.15	—	—	—	—
—	—	13,445	0.08	74,496	0.41	6,378	0.04	—	—
—	—	372	—	—	—	11,400	0.07	1,037	0.01
606,113	3.35	496,693	2.79	461,535	2.52	449,778	2.60	414,123	2.54
933,029	5.15	781,652	4.39	793,510	4.34	854,526	4.93	873,055	5.36
—	—	—	—	25,488	0.14	14,958	0.09	—	—
—	—	—	—	—	—	44,199	0.26	56,463	0.35
—	—	—	—	—	—	—	—	—	—
57,546	0.32	55,148	0.31	70,388	0.38	—	—	—	—
36,475	0.20	39,041	0.22	11,609	0.06	—	—	—	—
263,054	1.45	275,380	1.55	266,825	1.46	354,429	2.05	340,115	2.09
100,860	0.56	56,900	0.32	91,892	0.50	193,798	1.12	224,041	1.38
83,203	0.46	89,264	0.50	748	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
17,035	0.09	66,631	0.37	53,283	0.29	—	—	—	—
—	—	—	—	—	—	—	—	—	—
67,516	0.37	66,277	0.37	52,788	0.29	34,099	0.20	432	—
124,106	0.68	68,660	0.40	113,467	0.64	14,149	0.06	335	—
16,581,322	91.57	16,321,812	91.70	16,758,421	91.64	15,914,882	91.90	14,917,141	91.63
—	—	—	—	—	—	—	—	—	—
13,085	0.07	14,899	0.08	13,921	0.08	13,746	0.08	13,996	0.09
48,355	0.27	50,466	0.28	19,174	0.10	—	—	—	—
—	—	—	—	—	—	1,684	0.01	20,928	0.13
47,472	0.26	55,403	0.31	59,658	0.33	59,507	0.34	51,600	0.32
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	60,897	0.37
98,008	0.54	67,305	0.38	70,372	0.38	74,608	0.43	70,087	0.43
37,538	0.21	32,103	0.18	36,362	0.20	22,787	0.13	16,987	0.10
1,174,843	6.49	1,138,025	6.39	1,199,496	6.56	1,100,843	6.36	1,037,952	6.38
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
14,150	0.08	16,028	0.09	14,581	0.08	10,369	0.06	6,220	0.04
20,146	0.11	16,671	0.09	—	—	—	—	1,276	0.01
—	—	—	—	—	—	—	—	—	—
73,171	0.40	87,220	0.50	114,297	0.63	118,354	0.69	81,149	0.50
1,526,768	8.43	1,478,120	8.30	1,527,861	8.36	1,401,898	8.10	1,361,092	8.37
18,108,090	100.00%	17,799,932	100.00%	18,286,282	100.00%	17,316,780	100.00%	16,278,233	100.00%

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-6

Debt Service Detail

(Unaudited)

Detroit Metropolitan and Willow Run Airports

	2012		**2011**		**2010**		**2009**		**2008**	
	Principal	**Interest [1]**	**Principal**	**Interest [1]**	**Principal**	**Interest [1]**	**Principal**	**Interest [1]**	**Principal**	**Interest [1]**
Airport Revenue Bonds:										
Series 1993A	$ —	—	—	—	—	—	—	—	—	—
Series 1993B	—	—	—	—	—	—	—	—	—	—
Series 1993C	—	—	—	—	—	—	—	—	—	—
Series 1994A	—	—	—	—	—	—	2,975,000	29,131	3,020,000	204,352
Series 1994B	—	—	—	—	—	—	—	—	—	—
Series 1996A	—	—	—	—	—	—	39,710,000	—	3,300,000	3,026,299
Series 1996B	—	—	—	—	—	—	39,710,000	—	3,300,000	3,075,232
Series 1998A	188,455,000	2,369,208	523,050,000	13,903,092	21,400,000	36,492,050	20,280,000	37,614,200	19,195,000	38,719,655
Series 1998B	—	—	13,885,000	119,395	4,085,000	752,119	3,890,000	960,013	124,705,000	1,133,787
Series 2001 Jr. Lien	—	—	—	—	—	—	—	8,956,732	52,965,000	743,403
Series 2002A	—	—	—	—	—	—	—	—	141,720,000	843,758
Series 2002C	23,425,000	422,686	130,000	1,357,673	125,000	1,362,839	120,000	1,367,806	115,000	1,372,573
Series 2002D	49,935,000	2,046,127	4,005,000	3,089,613	3,800,000	3,289,738	3,630,000	3,487,750	3,435,000	3,676,619
Series 2003A-1	—	—	—	—	—	—	—	—	75,000,000	3,048,146
Series 2003A-2	—	—	—	—	—	—	—	—	75,000,000	2,859,421
Series 2003A-3	—	—	—	—	—	—	—	—	64,975,000	2,314,922
Series 2003B	—	—	—	—	—	—	—	—	65,000,000	2,440,830
Series 2003C	—	—	—	—	—	—	—	—	44,375,000	1,594,832
Series 2004	—	—	—	—	—	—	—	—	10,800,000	465,882
Series 2005	10,590,000	24,310,175	10,080,000	24,835,425	9,590,000	25,332,592	—	25,718,425	—	25,718,425
Series 2007A Jr. Lien	3,315,000	8,818,607	—	8,956,733	—	8,956,733	—	8,956,733	—	8,920,544
Series 2007B	—	5,742,850	—	5,742,850	—	5,742,850	—	5,742,850	—	5,152,612
Series 2008A	5,020,000	6,857,833	4,955,000	7,108,292	4,895,000	7,355,542	2,580,000	7,796,648	—	2,994,129
Series 2008B	—	—	196,450,000	105,706	4,800,000	658,931	—	2,884,226	—	1,323,247
Series 2008C	—	—	81,250,000	453,996	4,715,000	2,336,011	3,470,000	3,629,604	—	980,225
Series 2008D	—	—	33,375,000	222,333	3,800,000	1,154,563	2,500,000	1,708,255	—	495,441
Series 2008E	—	—	33,340,000	267,251	3,725,000	1,736,496	300,000	2,317,172	—	—
Series 2008F	—	—	33,375,000	266,992	3,730,000	1,705,727	300,000	2,280,328	—	—
Series 2009A	—	—	—	—	9,000,000	36,125	—	1,559	—	—
Series 2010A	22,855,000	9,258,634	—	7,631,310	—	—	—	—	—	—
Series 2010B	3,995,000	266,633	—	316,509	—	—	—	—	—	—
Series 2010C	15,270,000	8,762,450	—	7,088,049	—	—	—	—	—	—
Series 2010D	1,940,000	1,235,325	—	997,163	—	—	—	—	—	—
Series 2010E-1	—	123,572	—	128,462	—	—	—	—	—	—
Series 2010E-2	—	115,477	—	121,786	—	—	—	—	—	—
Series 2010F	—	190,434	—	192,729	—	—	—	—	—	—
Series 2010G	—	1,326,022	—	1,031,784	—	—	—	—	—	—
Series 2011A	—	6,100,267	—	—	—	—	—	—	—	—
Series 2011B	—	631,055	—	—	—	—	—	—	—	—
Series 2012A	—	591,750	—	—	—	—	—	—	—	—
Series 2012B	—	83,633	—	—	—	—	—	—	—	—
Series 2012C	—	8,433	—	—	—	—	—	—	—	—
Series 2012D	—	229,790	—	—	—	—	—	—	—	—
Installment Purchase Contracts	400,464	179,411	2,253,902	257,251	2,245,693	378,987	2,018,534	490,406	1,724,791	452,981
Willow Run Notes Payable:										
Washtenaw County	19,476	—	19,476	—	19,475	—	19,475	—	19,475	—
University of Michigan	7,543	32,682	3,038	37,186	8,144	32,081	5,492	34,733	7,162	33,064
Less: Bond Refundings [2]	(255,600,000)	—	(866,085,000)	—	—	—	(74,770,000)	—	(590,355,000)	—
Totals	$ 69,627,483	79,703,054	70,086,416	84,231,580	75,938,312	97,323,384	46,738,501	113,976,571	98,301,428	111,590,379

Airport Hotel

	2012		**2011**		**2010**		**2009**		**2008**	
	Principal	**Interest [1]**	**Principal**	**Interest [1]**	**Principal**	**Interest [1]**	**Principal**	**Interest [1]**	**Principal**	**Interest [1]**
Airport Hotel Bonds:										
Series 2001A	$ —	5,089,375	—	5,089,375	—	5,089,375	—	5,089,375	—	5,089,375
Series 2001B	1,200,000	494,860	980,000	566,905	765,000	624,908	590,000	669,745	210,000	701,590
Other Hotel Debt:										
Capital/FF&E Reserve Loan	439,308	253,040	405,640	286,708	374,553	317,796	345,848	346,501	319,342	373,006
Working Capital Loan	—	120,000	—	120,000	—	120,000	—	120,000	—	120,000
Totals	$ 1,639,308	5,957,275	1,385,640	6,062,988	1,139,553	6,152,079	935,848	6,225,621	529,342	6,283,971

[1] Interest does not include adjustments for capitalized interest, amortization of issuance costs, discount, premium, or refunding costs, and arbitrage.

[2] Amount of debt service paid through issuance of refunding bonds.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

(Continued)

Detroit Metropolitan and Willow Run Airports

2007		2006		2005		2004		2003	
Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]
—	—	—	—	—	—	11,340,000	99,362	545,000	600,484
—	—	—	—	—	—	63,110,000	562,305	1,930,000	3,389,104
—	—	—	—	—	—	54,690,000	469,965	2,535,000	2,839,220
3,070,000	381,627	3,120,000	558,111	3,165,000	734,288	3,215,000	909,872	4,245,000	1,093,737
—	—	—	—	11,260,000	58,337	265,000	686,444	255,000	701,281
3,100,000	2,258,438	3,000,000	2,398,779	2,800,000	2,575,422	2,700,000	2,844,177	2,500,000	3,021,847
3,100,000	2,265,728	3,000,000	2,398,963	2,800,000	2,572,463	2,700,000	2,834,116	2,500,000	3,004,723
18,195,000	39,756,688	17,275,000	40,692,075	16,415,000	41,574,274	15,670,000	42,370,697	15,020,000	43,037,345
3,560,000	7,386,740	3,410,000	7,540,969	3,265,000	7,686,289	3,130,000	7,823,442	390,000	7,897,963
18,580,000	2,080,789	17,635,000	2,441,237	18,200,000	1,978,673	17,300,000	1,166,125	17,220,000	1,577,534
—	5,285,612	—	4,710,152	—	3,090,894	—	1,519,173	—	1,277,561
110,000	1,377,139	105,000	1,381,331	100,000	1,384,456	100,000	1,387,456	—	1,390,138
3,270,000	3,855,513	1,035,000	4,007,631	—	4,052,913	—	4,052,913	—	4,053,441
—	2,840,173	—	2,510,843	—	1,614,219	—	663,417	—	—
—	2,838,896	—	2,533,444	—	1,620,687	—	662,635	—	—
—	2,467,024	—	2,182,817	—	1,437,901	—	619,013	—	—
3,450,000	2,354,989	3,125,000	2,472,482	3,475,000	2,600,251	—	2,125,829	—	—
3,425,000	1,506,226	3,150,000	1,615,689	3,350,000	1,735,027	—	1,439,799	—	—
400,000	439,732	375,000	453,099	—	398,552	—	—	—	—
—	25,718,425	—	26,861,465	—	10,858,891	—	—	—	—
—	2,549,050	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—		—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
—	—	—	—	—	—	—	—	—	—
1,540,000	455,531	1,495,000	540,680	1,395,000	621,493	1,300,000	696,843	1,270,000	769,708
19,476	—	19,476	—	14,606	—	—	—	—	—
5,352	34,872	3,931	36,294	3,460	36,767	531	39,693	—	40,223
—	—	—	—	(10,980,000)	—	(123,890,000)	—	—	—
61,824,828	105,853,192	56,748,407	105,336,061	55,263,066	86,631,797	51,630,531	72,973,276	48,410,000	74,694,309

Airport Hotel

2007		2006		2005		2004		2003	
Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]	Principal	Interest [1]
—	5,089,375	—	5,089,375	—	5,089,375	—	5,089,375	—	5,089,375
135,000	713,440	100,000	721,190	—	726,190	—	726,190	—	726,190
223,341	361,738	—	482,131	—	358,049	—	431,945	—	364,363
—	120,467	—	126,067	—	126,333	—	125,733	—	105,000
358,341	6,285,020	100,000	6,418,763	—	6,299,947	—	6,373,243	—	6,284,928

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-7

Revenue Coverage

(Unaudited)

	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Detroit Metro and Willow Run Airports										
Net revenues:										
Operating revenues	$ 291,026,902	$ 281,687,336	$ 270,267,951	$ 257,512,270	$ 259,215,375	$ 233,130,883	$ 222,468,787	$ 222,174,589	$ 218,956,819	$ 210,114,018
Interest income and other	1,798,471	3,354,863	4,992,574	7,143,858	28,101,968	46,264,411	42,905,863	19,469,004	7,075,748	6,231,047
Federal and state grants	1,378,911	1,326,034	1,264,891	1,089,499	2,192,613	5,962,547	12,110,868	15,673,226	10,065,228	8,478,808
Passenger facility charges	62,134,255	62,197,495	60,305,754	59,711,453	68,202,594	70,754,074	67,831,365	70,694,871	67,901,716	63,370,379
Total revenues	356,338,539	348,565,728	336,831,170	325,457,080	357,712,550	356,111,915	345,316,883	328,011,690	303,999,511	288,194,252
Less operating expenses, not including depreciation	(188,306,672)	(196,428,761)	(191,159,047)	(192,698,372)	(207,318,908)	(190,201,421)	(185,283,254)	(187,799,946)	(188,883,437)	(177,391,720)
Net revenues	168,031,867	152,136,967	145,672,123	132,758,708	150,393,642	165,910,494	160,033,629	140,211,744	115,116,074	110,802,532
Net debt service:										
Principal [3]	69,627,483	70,086,416	75,938,312	46,738,501	98,301,428	61,824,828	56,748,407	55,263,066	51,630,531	48,410,000
Interest [1]	79,703,054	84,231,580	97,323,384	105,019,840	111,590,379	105,853,192	105,336,061	86,631,797	72,973,276	74,694,309
Net debt service	149,330,537	154,317,996	173,261,696	151,758,341	209,891,807	167,678,020	162,084,468	141,894,863	124,603,807	123,104,309
Debt Service Coverage [2]	1.13	0.99	0.84	0.87	0.72	0.99	0.99	0.99	0.92	0.90
Pledged Revenue Coverage – Airport Hotel										
Net revenues:										
Operating revenues	27,611,922	29,372,498	26,828,936	23,246,792	31,496,580	33,382,432	30,535,204	29,213,232	24,834,017	10,834,274
Interest income and other	43,320	35,351	29,015	166,383	501,266	638,695	433,711	226,206	98,512	289,420
Total revenues	27,655,242	29,407,849	26,857,951	23,413,175	31,997,846	34,021,127	30,968,915	29,439,438	24,932,529	11,123,694
Less operating expenses, not including depreciation	(20,888,610)	(22,640,620)	(20,029,041)	(18,690,037)	(23,058,755)	(24,054,050)	(22,272,550)	(22,119,060)	(19,675,287)	(12,687,714)
Net revenues	6,766,632	6,767,229	6,828,910	4,723,138	8,939,091	9,967,077	8,696,365	7,320,378	5,257,242	(1,564,020)
Net debt service:										
Principal	1,639,308	1,385,640	1,139,553	935,848	529,342	358,341	100,000	—	—	—
Interest [1]	5,957,275	6,062,988	6,152,079	6,225,621	6,283,971	6,285,020	6,418,763	6,299,947	6,373,243	6,284,928
Net debt service	7,596,583	7,448,628	7,291,632	7,161,469	6,813,313	6,643,361	6,518,763	6,299,947	6,373,243	6,284,928
Debt Service Coverage [2]	0.89	0.91	0.94	0.66	1.31	1.50	1.33	1.16	0.82	(0.25)
Combined net debt service:										
Principal	71,266,791	71,472,056	77,077,865	47,674,349	98,830,770	62,183,169	56,848,407	55,263,066	51,630,531	48,410,000
Interest [1]	85,660,329	90,294,568	103,475,463	111,245,461	117,874,350	112,138,212	111,754,824	92,931,744	79,346,519	80,979,237
Total combined net debt service	$ 156,927,120	$ 161,766,624	$ 180,553,328	$ 158,919,810	$ 216,705,120	$ 174,321,381	$ 168,603,231	$ 148,194,810	$ 130,977,050	$ 129,389,237

Notes: The Authority has pledged all net Airport Hotel revenues solely for the payment of the Bonds and the Parity Obligations, and a statutory first lien has been granted upon all net Airport Hotel Revenues for such purpose. In addition, the County has pledged its limited tax full faith and credit as additional security for payment of the principal, premium, if any, and interest on the Bonds, subject to constitutional, statutory, and charter tax rate limitations.

[1] Interest does not include adjustments for capitalized interest, amortization of issuance costs, discount, premium, or refunding costs, and arbitrage.

[2] Coverage calculations presented in this schedule differ from those required by the Master Bond Ordinance and all series ordinances as shown in the Continuing Disclosures.

[3] Principal payments do not include bond refunding payoffs.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-8

Ratios of Outstanding Debt

(Unaudited)

Outstanding Debt per Enplaned Passenger	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003
Outstanding debt by type: [1]										
Airport revenue bonds	$ 2,149,380,000	$ 2,026,685,000	$ 2,121,835,000	$ 2,188,500,000	$ 2,231,195,000	$ 2,326,065,000	$ 2,205,935,000	$ 2,261,165,000	$ 1,807,285,000	$ 1,637,180,000
Installment purchase contracts	6,120,019	4,354,379	6,608,280	8,853,973	10,508,525	7,532,539	8,740,000	10,235,000	11,630,000	12,930,000
Willow Run notes payable	542,346	569,365	591,879	619,498	644,465	671,102	695,930	719,337	737,403	—
Airport hotel bonds	106,940,000	108,140,000	109,120,000	109,885,000	110,475,000	110,685,000	110,820,000	110,920,000	110,920,000	110,920,000
Other hotel debt	4,422,147	4,861,455	5,267,095	5,641,648	5,987,496	6,306,838	6,500,000	6,500,000	6,500,000	6,500,000
Total outstanding debt	$ 2,267,404,512	$ 2,144,610,199	$ 2,243,422,254	$ 2,313,500,119	$ 2,358,810,486	$ 2,451,260,479	$ 2,332,690,930	$ 2,389,539,337	$ 1,937,072,403	$ 1,767,530,000
Enplaned passengers	16,169,584	16,226,201	15,876,381	15,941,132	17,831,231	18,108,090	17,799,932	18,286,282	17,316,780	16,278,233
Outstanding debt per enplaned passenger	$ 140.23	$ 132.17	$ 141.31	$ 145.13	$ 132.29	$ 135.37	$ 131.05	$ 130.67	$ 111.86	$ 108.58
Combined net debt service per enplaned passenger										
Combined net debt service [2]	$ 156,927,120	$ 161,766,624	$ 180,553,328	$ 158,919,810	$ 216,705,120	$ 174,321,381	$ 168,603,231	$ 148,194,810	$ 130,977,050	$ 129,389,237
Enplaned passengers	16,169,584	16,226,201	15,876,381	15,941,132	17,831,231	18,108,090	17,799,932	18,286,282	17,316,780	16,278,233
Net debt service per enplaned passenger	$ 9.71	$ 9.97	$ 11.37	$ 9.97	$ 12.15	$ 9.63	$ 9.47	$ 8.10	$ 7.56	$ 7.95

[1] Outstanding Debt amounts do not include refundings, discounts, or premiums.

[2] Combined Net Debt Service does not include adjustments for capitalized interest, amortization of issuance costs, discount, premium, or refunding costs, and arbitrage

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-9

Authority Employees

(Unaudited)

	Authority Full-Time Positions *									
	2012	**2011**	**2010**	**2009**	**2008**	**2007**	**2006**	**2005**	**2004**	**2003**
Administration	8	16	11	15	18	20	20	20	20	19
Internal Audit	3	3	2	2	3	3	3	2	2	2
Legal	5	5	5	5	7	7	7	7	7	7
North Terminal Development Team	—	—	—	—	4	6	6	5	9	1
Finance	31	34	35	31	36	37	37	36	32	29
Information Technology/Telecommunications	12	13	14	14	14	16	13	7	7	6
Procurement & Compliance	14	18	24	20	25	25	24	21	19	14
Human Resources	11	14	12	14	15	15	15	18	22	17
Maintenance/Facilities	192	206	204	203	223	228	228	238	239	240
Airfield Operations	40	44	44	44	47	47	46	49	48	45
Public Safety	204	209	207	207	247	248	241	270	270	270
Planning & Development	24	19	17	16	14	15	15	22	22	17
Business Development	33	34	35	37	52	56	54	44	49	38
Willow	11	11	11	11	27	27	27	23	23	26
Central Communications [1]	—	—	—	—	—	—	8	27	28	29
Totals	588	626	621	619	732	750	744	789	797	760

* Represents both filled and budget-approved full-time positions as of each fiscal year end. Headcount actuals are lower due to employee turnover and amount of available positions at different times during the year.

[1] As of 9/30/2007, staff were reallocated to other divisions at the Authority or returned to Wayne County.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

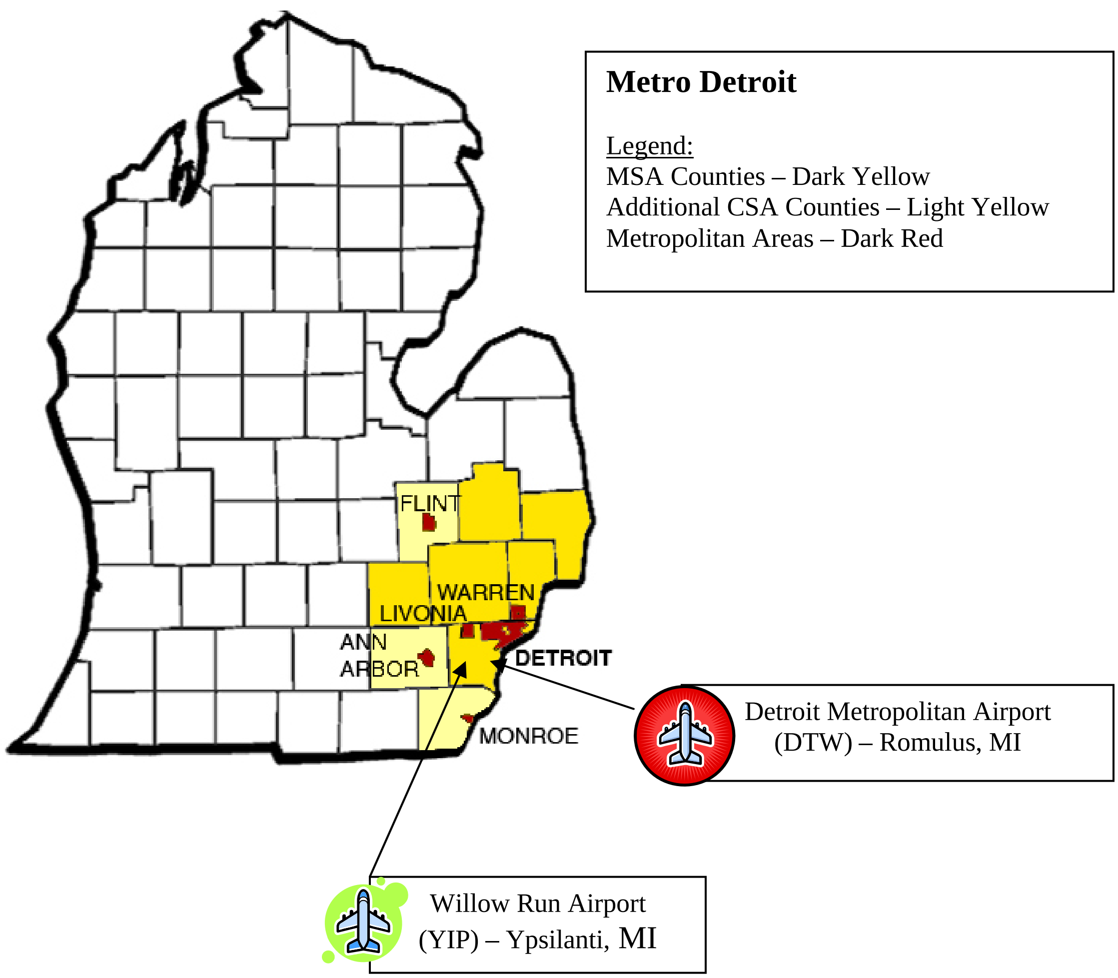
Exhibit S-10: Demographic and Economic Information

Wayne County Airport Authority (the Authority) is a regional entity that spans multiple jurisdictions. The Authority has operational jurisdiction of Detroit Metropolitan Wayne County Airport (DTW) and Willow Run Airport (YIP), as well as an Airport Hotel.

Detroit Metropolitan Wayne County Airport is a major commercial airport located in Romulus, Michigan classified a large hub by the FAA with 1% or more of total U.S. passengers enplaned. As of 2011, Detroit Metro Airport is the eleventh busiest airport in the United States and the fifteenth busiest airport in the world. Nearby to DTW is the smaller non-commercial airport Willow Run that serves freight, corporate, and general aviation clients. Together, these airports serve a Primary Air Trade Area commonly referred to as Metropolitan Detroit (Metro Detroit).

The United States Office of Management and Budget (OMB) defines the six counties of Lapeer, Livingston, Macomb, Oakland, St. Clair, and Wayne the *Detroit-Warren-Livonia Metropolitan Statistical Area (MSA)*. Further, the larger OMB designated *Detroit-Warren-Flint Combined Statistical Area (CSA)* incorporates both the above MSA and the metropolitan areas of Flint, Ann Arbor, and Monroe. This area is defined based on commuting patterns and results in the nine-county labor market region of Metro Detroit with a population of 5.2 million as of the 2010 census.

Detroit Metro Airport also serves the Toledo, Ohio, area, which is located approximately 47 miles south of the airport, and the city of Windsor, Ontario in nearby Canada. The Total Air Trade Area incorporates these regions along with the Primary Air Trade Area of Metro Detroit.



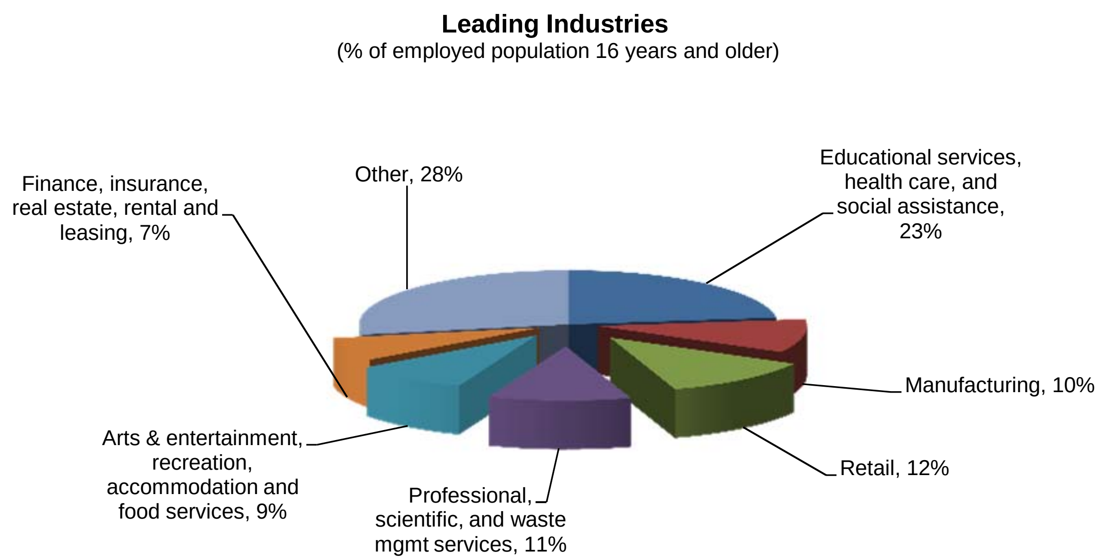
WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-10 A

Selected Demographic and Economic Information for the Primary Air Trade Area

(Unaudited)

Population (2011) Est.	5,207,434
Population (2010)	5,218,852
Population (2000)	5,357,538
Population (1990)	5,095,695
Percentage Increase in Population - 2010 to 2011	-0.2%
Percentage Female	51.5%
Percentage Male	48.5%
Personal Income (millions) (2011)	$204,188
Percent of U.S. Total	1.8%
Per Capita Personal Income (2010)	$37,680
Per Capita Personal Income (2010) - U.S.	$41,404
Unemployment Rate (2012 September)	10.0%
Unemployment Rate (2011 Annual)	11.5%
Unemployment Rate (2010 Annual)	13.9%
Total Households (millions)	2.0
Average Household Size (people)	2.5



Sources: U.S. Census Bureau, U.S. Bureau of Economic Analysis, and Bureau of Labor Statistics

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-10 B

Principal Employers in Primary Air Trade Area

(Unaudited)

Employer	**City**	**Metro Employees 2012 ****	**Metro Employees 2011 ***	**Percentage (%) change**	**Type of business**
Ford Motor Co.	Dearborn	39,134	38,000	3.0%	Automobile Manufacturer
University of Michigan	Ann Arbor	28,525	27,754	2.8	Public University & Health Care System
General Motors Corp.	Detroit	25,813	24,867	3.8	Automobile Manufacturer
Chrysler L.L.C.	Auburn Hills	25,733	21,927	17.4	Automobile Manufacturer
U.S. Government	Detroit	19,033	18,900	0.7	Federal Government
Henry Ford Health System	Detroit	18,402	19,951	(7.8)	Health Care System
Trinity Health	Novi	13,828	13,123	5.4	Health Care System
Detroit Medical Center	Detroit	13,499	12,121	11.4	Health Care System
Beaumont Hospitals	Royal Oak	12,767	12,437	2.7	Health Care System
St. John Health	Warren	12,649	13,004	(2.7)	Health Care System

* Calendar year basis

** Data as of July 2012

Source: Crain’s Detroit Business, November 12, 2012

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-11

Airport Information

(Unaudited)

Detroit Metropolitan Airport

Location:	20 miles southwest of Detroit in the city of Romulus			
Area:	7,384 acres (a)			
Airport Code:	DTW			
Runways:	3R/21L 3L/21R 9R/27L 9L/27R 4R/22L 4L/22R			
Terminal:	McNamara Terminal Airlines	913,904	sq ft	
	North Terminal Airlines	241,077	sq ft	
	Tenants/Concessionaires	207,337	sq ft	
	TSA/FIS	185,434	sq ft	
	Public/Common	1,603,768	sq ft	
	Number of In-Service Passenger Gates	147		
	Number of Concessionaires	32		
	Number of Rental Car Agencies On-Airport	6		
Airfield:	Runways	15,848,015	sq ft	(a)
	Taxiways	22,912,789	sq ft	(a)
	Aprons	19,745,284	sq ft	(a)
Parking:	Spaces Available:			
	McNamara Parking Structure	10,117		
	Big Blue Deck and Short-Term	5,842		
	Green Lot 1	1,670		
	Green Lot 2	900		
		18,529	spaces	
Cargo:	Cargo/Hangar Buildings	1,386,110	sq ft	
International:	Customs/Immigration F.I.S. Facility			
Tower(s):	AIR TRAFFIC CONTROL TOWER 24/ 7/ 365 Wayne County Operations Control Tower			
FBOs:	ASIG (Aircraft Service International Group) Metro Flight Services			

(a) These totals have increased from prior year due to physical inventory reconciliation and construction activity.

Source: WCAA Finance Department Records

See accompanying independent auditor's report.

WAYNE COUNTY AIRPORT AUTHORITY

Exhibit S-12

Airport Information

(Unaudited)

Willow Run Airport

Location:	7 miles west of Detroit Metropolitan Airport bordering on Wayne and Washtenaw Counties		
Area:	2,367 acres		
Airport Code:	YIP		
Runways:	5L/23R 5R/23L 9/27 14/32		
Airfield:	Runways	5,286,425	sq ft
	Taxiways	4,425,210	sq ft
	Ramps/Aprons	5,093,764	sq ft
Corporate/Private Space:	Hangar/Arrivals Buildings	224,900	sq ft
	Tenants Other	126,600	sq ft
	T-Hangars (qty. 110)	175,000	sq ft
	Number of Rental Car Agencies On-Airport	2	
Cargo & Additional Space:	Hangar/Office/Shop	359,600	sq ft
	WCAA Admin, Maintenance, Ops, Public Safety	128,500	sq ft
	Yankee Air Museum	53,400	sq ft
	Educational & Flight Training	22,000	sq ft
	FAA	41,500	sq ft
	Common	10,000	sq ft
International:	U.S. Customs (user fee airport)		
Tower:	FAA 24/7		
FBOs:	Active Aero Service Avflight		

See accompanying independent auditor's report.

CONTINUING DISCLOSURE SECTION
(UNAUDITED)

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Documents Incorporated By Reference

Operating Years Ended September 30, 2012

Portions of the following documents are incorporated herein by reference into sections of the Comprehensive Annual Financial Report (CAFR) as indicated:

Document	Part of CAFR into which incorporated
Official Statement, $169,430,000 Wayne County Airport Authority Airport Revenue Refunding Bonds, Series 2011A-B	Continuing Disclosures
Official Statement, $278,065,000 Wayne County Airport Authority Airport Revenue and Refunding Bonds, Series 2012 A-D	Continuing Disclosures

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #1

Debt Service Requirements and Coverage

Operating Year 2012

(Unaudited)

	Net revenues, revenue fund balance, and other available monies (thousands)	Total debt service requirements (thousands)	Debt service coverage	Airline cost per enplaned passenger
Senior Lien	$ 240,225	$ 145,820	1.65	$ 9.87
Total Senior Lien and Junior Lien	$ 240,225	$ 158,091	1.52	$ 9.87

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #2

Operation and Maintenance Expenses

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

Description		Historical				
		2012	2011	2010	2009	2008
Salaries and wages	$	43,159	44,225	43,166	46,274	47,323
Employee benefits		25,268	25,840	27,555	26,422	27,891
		68,427	70,065	70,721	72,696	75,214
Contractual services:						
Parking management		6,048	6,794	6,505	7,082	8,905
Security expenses		2,288	2,401	2,293	2,657	2,758
Janitorial services		11,480	11,143	10,972	10,577	2,403
Shuttle bus		8,098	8,750	8,495	8,483	9,221
Other services		16,456	19,228	14,025	14,481	13,369
Total contractual services		44,370	48,316	42,290	43,280	36,656
Wayne County administrative services		157	126	141	163	150
Repairs and maintenance		31,661	35,334	36,383	28,445	35,529
Supplies and other operating expenses		8,930	9,312	7,896	9,272	10,016
Insurance		2,370	2,294	2,532	2,710	2,593
Utilities		26,280	24,524	26,198	26,933	29,558
Rentals		699	665	679	66	146
Interest expense and paying agent fees		173	197	360	556	2,388
Capital expenses		3,898	7,444	2,774	1,500	2,086
		74,168	79,896	76,963	69,645	82,466
Total O&M expenses	$	186,965	198,277	189,974	185,621	194,336

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #3

Operating Revenues

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

Description		Historical 2012	2011	2010	2009	2008
Airline revenues:						
Rental and use fees:						
Terminal building rentals and fees	$	62,763	58,393	56,611	49,318	22,254
Common-use/shared-use area rentals		23,419	17,553	18,778	16,381	2,852
Debt service recapture		1,773	1,828	1,828	1,828	1,828
Facilities use fees		7,092	6,638	5,950	6,320	7,885
Add (less) rental fee adjustment		(2,144)	(4,122)	(7,156)	(1,550)	—
Total rental and use fees		92,903	80,290	76,011	72,297	34,819
Activity fees:						
Signatory airlines		66,993	76,562	68,489	58,584	69,567
Nonsignatory airlines		1,236	1,688	1,505	1,610	1,595
Add (less) activity fee adjustment		(1,510)	(9,776)	(343)	(471)	12,860
Total activity fees		66,719	68,474	69,651	59,723	84,022
Total airline revenues		159,622	148,764	145,662	132,020	118,841
Nonairline revenues:						
Concessions:						
Automobile parking		56,091	54,145	48,309	49,911	58,683
Rental car		19,626	18,984	17,273	17,540	21,493
Food and beverage		12,878	13,057	13,107	12,872	12,628
Retail		12,489	12,210	11,103	12,565	11,855
Marketing and communications		2,357	2,106	1,977	1,490	2,295
Other concessions		3,990	3,887	4,240	3,636	3,264
Total concessions		107,431	104,389	96,009	98,014	110,218
Rentals		2,255	2,761	3,454	3,767	3,783
Utility fees		4,790	4,879	4,332	4,320	4,498
Interest income		205	255	234	730	1,498
Ground transportation		4,883	4,944	4,739	6,510	7,056
Other (a)		9,437	13,197	10,080	9,540	10,468
Total nonairline revenues		129,001	130,425	118,848	122,881	137,521
Total operating revenues	$	288,623	279,189	264,510	254,901	256,362

(a) Includes shuttle bus revenue, badging fees, miscellaneous fees, chargebacks, and state and federal grants

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #4

Application of Revenues

Operating years ending September 30

(In thousands of dollars, except as noted)

(Unaudited)

			2012	2011	2010	2009	2008
	Revenues:						
	Airline revenues	$	159,622	148,764	145,662	132,020	118,841
	Nonairline revenues		129,001	130,425	118,848	122,881	137,521
	Interest income generated in bond funds and reserves		2,502	3,496	2,192	8,069	22,802
	Other available monies:						
	PFC contributions		65,538	87,576	99,207	97,862	78,589
	Letter of intent		—	—	—	605	18,281
	Capitalized interest contribution		2,657	438	1,846	3,852	30,470
	Other		1,894	1,943	1,064	2,308	1,475
	Transfer credit from Airport funds (a)		—	—	—	—	782
	Total revenues	$	361,214	372,642	368,819	367,597	408,761
Priority							
	Application of revenues:						
1	Operation and Maintenance Fund	$	192,475	202,456	194,014	190,098	194,336
2	Bond Fund		148,478	150,798	158,179	160,873	155,005
3	Junior Lien Bond Fund		12,271	11,719	8,957	8,957	52,467
4	Operation and Maintenance Reserve Fund		—	—	—	—	—
5	Renewal and Replacement Fund		500	500	500	500	500
6	County Discretionary Fund		350	350	350	350	350
7	Airport Development Fund		7,140	6,819	6,819	6,819	6,103
	Total application of revenues	$	361,214	372,642	368,819	367,597	408,761

(a) Represents a credit given to the Airlines, which was paid from the Airport Authority’s Airport Development Fund.

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #5

Net Revenues and Debt Service Coverage

Operating year ending September 30, 2012

(In thousands of dollars, except as noted)

(Unaudited)

Revenues:			
Revenues		$	288,623
Revenue fund balance at beginning of year			74,143
Other available monies:			
PFC contributions			65,538
Other			1,894
Interest income generated in bond funds and reserves			2,502
Total revenues	[A]		432,700
Operation and maintenance expenses	[B]		192,475
Net revenues available for Sr. Lien debt service	[A - B] = [C]		240,225
Bond debt service - Senior Lien	[D]		145,820
Net revenues available for Jr. Lien debt service	[C - D] = [E]		94,405
Bond debt service - Junior Lien	[F]		12,271
Net revenues remaining in revenue fund			82,134
Debt service coverage:			
Senior Lien bonds	[C]/[D]		1.65
Senior Lien and Junior Lien bonds	[C]/[D + F]		1.52
Rate covenant elements:			
Operation and maintenance expenses		$	192,475
125% debt service – Bonds	[(1.25 x D) + F]		194,546
Other fund requirements			7,990
Total rate covenant elements		$	395,011

Source: Wayne County Airport Authority

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #6

Historical Airline Passenger Enplanements

Operating years ending September 30

(Unaudited)

Operating year	Domestic	International	Total	Percent increase (decrease)
2012	14,802,280	1,367,304	16,169,584	(0.3)%
2011	14,912,532	1,313,669	16,226,201	2.2
2010	14,614,045	1,262,336	15,876,381	(0.4)
2009	14,622,391	1,318,741	15,941,132	(10.6)
2008	16,271,128	1,560,103	17,831,231	(1.5)

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #7

Historical Comparative Total Enplanements

Calendar years ending December 31

(Unaudited)

	Detroit Metro		United States		
Calendar year	**Number of passengers**	**Percent increase (decrease)**	**Number of passengers**	**Percent increase (decrease)**	**Detroit as a percentage of U.S. total**
2012	15,077,106	(3.0)	683,861,000	(0.6)	2.2
2011	15,544,032	0.4	687,843,250	1.5	2.3
2010	15,483,222	(0.7)	677,624,234	(2.9)	2.3
2009	15,593,075	(6.9)	697,998,338	(0.2)	2.2
2008	16,751,796	(2.9)	699,164,160	(2.6)	2.4

Note: 2012 estimate based on six months of data

Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Airport Activity Statistics of Certificated Route Air Carriers, Form 41, Schedule T3

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #8

Historical Airline Departures

Calendar years ending December 31

(Unaudited)

Calendar year	Departures by carrier type: Majors	Departures by carrier type: Nationals	Departures by carrier type: Regionals	Total departures: Total (a)	Total departures: Percent increase (decrease)
2012	74,356	126,094	5,122	205,572	(4.0)%
2011	78,479	131,225	4,327	214,031	(1.8)
2010	107,976	101,613	8,455	218,044	4.7
2009	103,617	95,697	8,920	208,234	(5.5)
2008	118,470	94,130	7,660	220,260	(0.3)

(a) Total does not include departures by commuters or charters.

Note: 2012 estimate based on six months of data

Source: U.S. Department of Transportation, Bureau of Transportation Statistics, Airport Activity Statistics of Certificated Route Air Carriers, Form 41, Schedule T3

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #9

Historical Domestic Originations and Connections

Calendar years ending December 31

(Unaudited)

Calendar year	Domestic originations Number	Domestic originations Percent of total	Domestic connections Number	Domestic connections Percent of total
2012	6,762,292	45.8%	8,002,538	54.2%
2011	6,762,033	45.4	8,138,265	54.6
2010	6,566,987	44.1	8,310,099	55.9
2009	6,671,730	46.4	7,718,609	53.6
2008	7,386,420	46.2	8,591,640	53.8

Note: 2012 estimate based on six months of data

Source: U.S. Department of Transportation Origin and Destination Passenger Ticket Survey, 298c Commuter Data, Airport Activity Statistics of Certificated Route Air Carriers, and Wayne County Airport Authority records.

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #10

Historical Airline Market Shares

Operating years ending September 30

(Unaudited)

Airline	OY 2012 Enplaned passengers	OY 2012 Percent of market	OY 2011 Enplaned passengers	OY 2011 Percent of market	OY 2010 Enplaned passengers	OY 2010 Percent of market
Domestic:						
Air Tran Airways	197,524	1.3%	202,162	1.4%	201,664	1.4%
American (AA Eagle)	162,633	1.1	154,136	1.1	161,692	1.1
American Airlines	269,593	1.8	275,990	1.9	284,813	1.9
Continental (Atlantic Southeast)	—	—	3,112	—		
Continental (Chautauqua)	—	—	—	—	—	—
Continental (CommutAir)	—	—	—	—	—	—
Continental (ExpressJet)	25,960	0.2	59,888	0.4	86,581	0.6
Continental (Shuttle America)	4,852	—	15,559	0.1	—	—
Continental (SkyWest)	10,387	0.1	4,525	—	—	—
Continental Airlines	81,867	0.6	150,106	1.0	150,053	1.0
Northwest/Delta (Atlantic Southeast) [(1)]	885,230	6.0	650,836	4.4	83,690	0.6
Northwest/Delta (Chautauqua) [(1)]	217,573	1.5	168,194	1.1	95,086	0.7
Northwest/Delta (Comair) [(1)]	811,218	5.5	945,095	6.3	540,781	3.7
Northwest/Delta (Compass) [(1)]	241,508	1.6	312,578	2.1	340,262	2.3
Northwest/Delta (Freedom) [(1)]	—	—	—	—	191,445	1.3
Northwest/Delta (Mesaba Aviation) [(1)]	123,066	0.8	721,808	4.9	949,610	6.5
Northwest/Delta (Pinnacle) [(1)]	2,698,992	18.2	2,254,208	15.1	2,186,627	15.0
Northwest/Delta (Shuttle America) [(1)]	190,663	1.3	85,863	0.6	4,462	—
Northwest/Delta (SkyWest) [(1)]	85,570	0.6	4,058	—	—	—
Northwest/Delta (GoJet) [(1)]	73,634	0.5	—	—	—	—
Northwest/Delta Air Lines [(1)]	6,349,263	42.9	6,651,576	44.6	7,328,799	50.2
Frontier	125,186	0.8	140,291	0.9	117,044	0.8
Southwest	645,208	4.4	611,582	4.1	553,612	3.8
Spirit Airlines	711,134	4.8	703,335	4.7	558,596	3.8
United (Atlantic Southeast)[(4)]	7,866	0.1	22,672	0.2	17,044	0.1
United (ExpressJet)[(4)]	89,373	0.6	26,730	0.2	14,376	0.1
United (GoJet)	34,532	0.2	57,089	0.4	66,206	0.5
United (Mesa)	43,702	0.3	19,733	0.1	29,999	0.2
United (Shuttle America)	58,311	0.4	14,842	0.1	—	—
United (SkyWest)	33,205	0.2	25,264	0.2	68,400	0.5
United (TransStates)	728	—	16,380	0.1	16,133	0.1
United Airlines	46,767	0.3	45,605	0.3	36,467	0.2
US Airways	366,277	2.5	340,664	2.3	303,451	2.1
US Airways (Air Wisconsin)	71,394	0.5	81,860	0.5	76,414	0.5
US Airways (Chautauqua)	8,431	0.1	7,948	0.1	3,881	—
US Airways (Mesa)	37,154	0.2	19,074	0.1	22,387	0.2
US Airways (PSA)	10,716	0.1	5,990	—	5,860	—
US Airways (Republic)	80,347	0.5	111,361	0.7	112,838	0.8
USA 3000	—	—	153	—	2,226	—
Other [(2)]	2,416	—	2,265	—	3,546	—
Subtotal – Domestic	14,802,280	100.0%	14,912,532	100.0%	14,614,045	100.0%
International:						
Aeromexico	—	—	—	—	—	—
Air Canada (Jazz)	6,423	0.5	7,132	0.5	6,875	0.5
Air Canada (Air Georgian)	8,464	0.6	5,208	0.4	—	—
Air France	82,675	6.0	76,568	5.8	70,685	5.6
Air Tran Airways	10,295	0.8	11,436	0.9	5,849	0.5
British Airways	—	—	—	—	—	—
Compass	—	—	—	—	13,301	1.1
KLM-Royal Dutch Airlines	—	—	—	—	—	—
Lufthansa	64,854	4.7	67,952	5.2	65,568	5.2
Northwest/Delta (Mesaba Aviation) [(1)]	—	—	67	—	19,583	1.6
Northwest/Delta Air Lines [(1)]	1,119,589	81.9	1,065,984	81.1	921,973	73.0
Northwest/Delta (Atlantic Southeast) [(1)]	15,244	1.1	2,534	0.2	—	—
Northwest/Delta (Comair) [(1)]	—	—	—	—	20,851	1.7
Northwest/Delta (Pinnacle) [(1)]	18,094	1.3	44,711	3.4	97,518	7.7
Northwest/Delta (Chautauqua) [(1)]	141	—	—	—	—	—
Royal Jordanian Airlines	15,143	1.1	14,051	1.1	15,258	1.2
Spirit	23,339	1.8	15,579	1.2	12,274	1.0
US Airways	1,459	0.1	1,493	0.1	1,997	0.1
Other [(2)]	1,584	0.1	954	0.1	10,604	0.8
Subtotal – International	1,367,304	100.0%	1,313,669	100.0%	1,262,336	100.0%
Total – All Markets	16,169,584		16,226,201		15,876,381	

[(1)] Northwest Airlines merged with and into Delta Airlines on December 31, 2009 and for comparative purposes, are shown as one in this report.

[(2)] Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2012

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #10

Historical Airline Market Shares

Operating years ending September 30

(Unaudited)

	OY 2009		OY 2008	
Airline	**Enplaned passengers**	**Percent of market**	**Enplaned passengers**	**Percent of market**
Domestic:				
Air Tran Airways	219,085	1.5%	216,149	1.3%
American (AA Eagle)	125,766	0.9	85,637	0.5
American Airlines	346,775	2.4	442,012	2.7
Continental (Atlantic Southeast)	—	—	—	—
Continental (Chautauqua)	—	—	824	—
Continental (CommutAir)	—	—	13,181	0.1
Continental (ExpressJet)	63,765	0.5	63,856	0.4
Continental (Shuttle America)	—	—	—	—
Continental (SkyWest)	—	—	—	—
Continental Airlines	193,026	1.3	210,747	1.3
Northwest/Delta (ExpressJet) [(1)(3)]	1,289	—	58,351	0.4
Northwest/Delta (Chautauqua) [(1)]	4,798	—	9,211	0.1
Northwest/Delta (Comair) [(1)]	145,990	1.0	90,839	0.6
Northwest/Delta (Compass) [(1)]	439,785	3.0	144,644	0.9
Northwest/Delta (Freedom) [(1)]	19,912	0.1	6,142	—
Northwest/Delta (Mesaba Aviation) [(1)]	1,042,785	7.1	811,681	5.0
Northwest/Delta (Pinnacle) [(1)]	2,066,229	14.1	2,043,385	12.6
Northwest/Delta (Shuttle America) [(1)]	10,599	0.1	36,813	0.2
Northwest/Delta (SkyWest) [(1)]	4,681	—	3,362	—
Northwest/Delta (GoJet) [(1)]	—	—	—	—
Northwest/Delta Air Lines [(1)]	7,894,790	54.0	9,555,525	58.7
Frontier	117,396	0.8	126,580	0.8
Southwest	523,304	3.6	595,944	3.7
Spirit Airlines	591,150	4.0	802,424	4.9
United (Atlantic Southeast)	—	—	—	—
United (ExpressJet)	—	—	—	—
United (GoJet)	56,837	0.4	—	—
United (Mesa)	47,908	0.3	43,380	0.3
United (Shuttle America)	—	—	—	—
United (SkyWest)	31,407	0.2	24,640	0.2
United (TransStates)	32,140	0.2	14,916	0.1
United Airlines	94,542	0.7	239,332	1.5
US Airways	313,774	2.2	331,934	2.0
US Airways (Air Wisconsin)	95,658	0.7	104,993	0.6
US Airways (Chautauqua)	—	—	1,260	—
US Airways (Mesa)	22,640	0.2	47,464	0.3
US Airways (PSA)	15,747	0.1	38,059	0.2
US Airways (Republic)	74,785	0.5	23,992	0.1
USA 3000	19,823	0.1	79,304	0.5
Other [(1)]	6,005	—	4,547	—
Subtotal – Domestic	14,622,391	100.0%	16,271,128	100.0%
International:				
Aeromexico	2,053	0.2	5,942	0.4
Air Canada (Jazz)	5,956	0.5	13,678	0.9
Air Canada (Air Georgian)	—	—	—	—
Air France	55,233	4.2	45,947	2.9
Air Tran Airways	271	—	—	—
British Airways	—	—	20,491	1.3
Compass	26,608	2.0	—	—
KLM-Royal Dutch Airlines	40,196	3.0	41,753	2.7
Lufthansa	72,884	5.6	102,121	6.5
Northwest/Delta (Mesaba Aviation) [(1)]	45,248	3.4	37,906	2.4
Northwest/Delta Airlines [(1)]	1,009,773	76.6	1,204,927	77.3
Northwest/Delta (Atlantic Southeast) [(1)]	—	—	—	—
Northwest/Delta (Comair) [(1)]	—	—	—	—
Northwest/Delta (Pinnacle) [(1)]	—	—	—	—
Northwest/Delta (Chautauqua) [(1)]	—	—	—	—
Royal Jordanian Airlines	14,822	1.1	16,434	1.1
Spirit	16,928	1.3	19,464	1.2
US Airways	1,853	0.1	—	—
Other [(1)]	26,916	2.0	51,440	3.3
Subtotal – International	1,318,741	100.0%	1,560,103	100.0%
Total – All Markets	15,941,132		17,831,231	

[(1)] Northwest Airlines merged with and into Delta Airlines on December 31, 2009 and for comparative purposes, are shown as one in this report.

[(2)] Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2012

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #11

Historical Airline Cargo

Operating years ending September 30

(Unaudited)

Operating year	Cargo by type (metric tons)				Total Cargo	
	Freight and Express (a)		Mail		Total	Percent increase
	Enplaned	Deplaned	Enplaned	Deplaned	Cargo	(decrease)
2012	84,018	120,091	8,267	4,998	217,374	5.3%
2011	77,756	117,993	6,973	3,623	206,345	11.6
2010	71,409	105,269	4,950	3,306	184,934	14.6
2009	68,021	85,235	4,264	3,849	161,369	(28.6)
2008	99,578	117,636	4,225	4,415	225,854	(1.8)

(a) Includes small packages

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #12

Historical Aircraft Landed Weight

Operating years ending September 30

(Unaudited)

	OY 2012		OY 2011		OY 2010	
Airline	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**
Aeromexico	—	—%	—	—%	—	—%
Air Canada (Jazz)	12,919	0.1	13,594	0.1	14,506	0.1
Air Canada (Air Georgian)	12,218	0.1	6,740	—	—	—
Air France	146,639	0.7	146,476	0.7	138,582	0.7
Air Tran Airways	223,800	1.1	241,608	1.2	225,504	1.1
American (AA Eagle)	195,133	0.9	180,815	0.9	193,235	1.0
American Airlines	300,395	1.5	318,885	1.5	312,306	1.5
British Airways	—	—	—	—	—	—
Champion Air	—	—	—	—	—	—
Continental (CommutAir)	—	—	—	—	—	—
Continental (Chautauqua)	—	—	—	—	—	—
Continental (ExpressJet)	30,257	0.1	70,638	0.3	93,195	0.5
Continental (Shuttle America)	8,316	—	35,649	0.2	—	—
Continental (SkyWest)	13,199	0.1	6,046	—	—	—
Continental Airlines	104,889	0.5	168,642	0.8	174,752	0.9
Delta (Atlantic Southeast)	1,110,252	5.4	795,381	3.8	104,058	0.5
Delta (Chautauqua)	217,005	1.0	169,065	0.8	94,308	0.4
Delta (Comair)	942,080	4.6	1,115,580	5.3	669,929	3.3
Delta (Compass)	288,096	1.4	371,436	1.8	438,616	2.2
Delta (Freedom)	—	—	—	—	196,138	1.0
Delta (GoJet)	89,311	0.4	—	—	—	—
Delta (Mesaba Aviation)	144,408	0.7	872,731	4.2	1,202,839	6.0
Delta (Pinnacle)	3,237,417	15.7	2,743,336	13.1	2,817,713	14.0
Delta (Shuttle America)	221,668	1.1	97,147	0.5	5,238	—
Delta (SkyWest)	94,263	0.5	4,136	—	—	—
Delta Air Lines	9,655,644	46.9	10,153,495	48.6	10,369,432	51.4
DHL/ABX	—	—	—	—	—	—
Federal Express	461,450	2.2	409,567	2.0	361,807	1.8
Frontier	124,080	0.6	143,844	0.7	126,776	0.6
KLM-Royal Dutch Airlines	—	—	—	—	—	—
Lufthansa	146,790	0.7	147,477	0.7	142,243	0.7
Lufthansa Cargo	31,390	0.2	—	—	—	—
Northwest (Compass)	—	—	—	—	—	—
Northwest (Mesaba Aviation)	—	—	—	—	—	—
Northwest (Pinnacle)	—	—	—	—	—	—
Northwest Airlines	—	—	—	—	—	—
Royal Jordanian Airlines	—	—	40,698	0.2	41,097	0.2
Ryan International	—	—	—	—	—	—
Southwest Airlines	718,796	3.5	732,074	3.5	668,576	3.3
Spirit Airlines	749,026	3.6	752,623	3.6	637,083	3.2
United (Atlantic Southeast)	8,554	—	27,777	0.1	20,304	0.1
United (ExpressJet)	94,289	0.5	28,198	0.1	15,341	0.1
United (GoJet)	39,329	0.2	66,531	0.3	79,931	0.4
United (Mesa)	50,987	0.2	22,981	0.1	34,400	0.2
United (Shuttle America)	84,892	0.4	23,862	0.1	—	—
United (SkyWest)	37,651	0.2	29,405	0.1	75,208	0.4
United (TransStates)	681	—	18,424	0.1	19,147	0.1
United Airlines	61,218	0.3	73,693	0.4	64,056	0.3
United Parcel Service	168,483	0.8	171,832	0.8	171,234	0.8
US Airways	454,827	2.2	422,444	2.0	380,154	1.9
US Airways (Air Wisconsin)	85,634	0.4	97,431	0.5	87,467	0.4
US Airways (Chautauqua)	9,233	—	9,276	—	4,255	—
US Airways (Colgan)	—	—	86	—	—	—
US Airways (Mesa)	38,514	0.2	19,845	0.1	21,536	0.1
US Airways (Mesaba)	—	—	285	—	—	—
US Airways (PSA)	12,186	0.1	7,110	—	6,655	—
US Airways (Republic)	93,946	0.5	112,275	0.5	116,510	0.6
USA 3000	—	—	437	—	13,357	0.1
Other (1)	88,486	0.4	54,138	0.3	29,777	0.1
Total	20,608,351	100.0%	20,923,713	100.0%	20,167,265	100.0%

(1) Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2012

Source: Wayne County Airport Authority records
See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #12

Historical Aircraft Landed Weight

Operating years ending September 30

(Unaudited)

	OY 2009		OY 2008	
Airline	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**	**Landed Weight (per 1,000 lbs.)**	**Percent of Market**
Aeromexico	4,352	—%	9,432	—%
Air Canada (Jazz)	21,049	0.1	28,994	0.1
Air Canada (Air Georgian)	—	—	—	—
Air France	122,641	0.6	114,617	0.5
Air Tran Airways	240,496	1.1	240,128	1.0
American (AA Eagle)	155,625	0.7	107,737	0.5
American Airlines	399,070	1.9	506,633	2.2
British Airways	—	—	107,202	0.5
Champion Air	—	—	900	—
Continental (CommutAir)	35	—	27,894	0.1
Continental (Chautauqua)	—	—	1,610	—
Continental (ExpressJet)	76,524	0.4	85,836	0.4
Continental (Shuttle America)	—	—	—	—
Continental (SkyWest)	—	—	—	—
Continental Airlines	233,049	1.1	254,629	1.1
Delta (Atlantic Southeast)	1,474	—	64,185	0.3
Delta (Chautauqua)	6,200	—	11,052	—
Delta (Comair)	187,696	0.9	125,020	0.5
Delta (Compass)	—	—	—	—
Delta (Freedom)	23,702	—	8,617	—
Delta (GoJet)	—	—	—	—
Delta (Mesaba Aviation)	—	—	—	—
Delta (Pinnacle)	—	—	—	—
Delta (Shuttle America)	13,437	0.1	49,342	0.2
Delta (SkyWest)	5,100	—	4,425	—
Delta Air Lines	548,594	2.6	218,996	0.9
DHL/ABX	67,939	0.3	64,605	0.3
Federal Express	374,202	1.8	477,212	2.0
Frontier	140,742	0.7	147,774	0.6
KLM-Royal Dutch Airlines	74,970	0.4	80,214	0.3
Lufthansa	174,062	0.8	243,753	1.0
Lufthansa Cargo	—	—	—	—
Northwest (Compass)	596,054	2.8	173,768	0.7
Northwest (Mesaba Aviation)	1,484,510	7.1	1,118,993	4.8
Northwest (Pinnacle)	2,616,584	12.5	2,516,756	10.8
Northwest Airlines	10,785,072	51.1	13,385,015	57.3
Royal Jordanian Airlines	42,294	0.2	41,895	0.2
Ryan International	480	—	7,811	—
Southwest Airlines	706,040	3.4	833,750	3.6
Spirit Airlines	690,048	3.3	925,981	4.0
United (Atlantic Southeast)	—	—	—	—
United (ExpressJet)	—	—	—	—
United (GoJet)	69,077	0.3	—	—
United (Mesa)	54,058	0.3	45,532	0.2
United (Shuttle America)	—	—	—	—
United (SkyWest)	34,341	0.2	25,976	0.1
United (TransStates)	36,379	0.2	15,998	0.1
United Airlines	161,068	0.8	317,477	1.4
United Parcel Service	171,687	0.8	195,473	0.8
US Airways	377,507	1.8	397,966	1.7
US Airways (Air Wisconsin)	113,082	0.5	121,072	0.5
US Airways (Chautauqua)	—	—	1,447	—
US Airways (Colgan)	—	—	—	—
US Airways (Mesa)	21,261	0.1	41,942	0.2
US Airways (Mesaba)	—	—	—	—
US Airways (PSA)	15,835	0.1	38,762	0.2
US Airways (Republic)	78,548	0.4	28,519	0.1
USA 3000	53,149	0.3	117,801	0.5
Other [(1)]	26,613	0.3	26,169	0.3
Total	21,004,646	100.0%	23,358,910	100.0%

[(1)] Includes airlines with minimal market share or that may not operate at the Airport as of Operating Year 2012

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #13

Historical Aircraft Operations

Operating years ending September 30

(Unaudited)

	Operations by class of carrier				Total operations	
Operating year	**Air carrier**	**Air taxi and commuter**	**General aviation**	**Military**	**Total**	**Percent increase (decrease)**
2012	208,358	217,951	6,127	247	432,683	(3.2)%
2011	191,893	248,390	6,662	100	447,045	0.3
2010	195,916	242,697	6,777	110	445,500	1.9
2009	211,998	218,172	7,006	140	437,316	(6.4)
2008	253,024	203,629	10,580	153	467,386	(1.1)

Source: Wayne County Airport Authority records

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #14

Historical Aviation Demand Statistics

Operating years ending September 30

(Unaudited)

	Historical				
	2012	**2011**	**2010**	**2009**	**2008**
Enplaned passengers:					
Domestic:					
Scheduled:					
Originating (a)	6,778,338	6,766,488	6,448,329	6,767,341	6,969,007
Connecting (a)	8,021,526	8,143,626	8,159,944	7,829,222	9,218,270
Subtotal – scheduled	14,799,864	14,910,114	14,608,273	14,596,563	16,187,277
Percentage connecting	54.2%	54.6%	55.9%	53.6%	56.9%
Charter	2,416	2,418	5,772	25,828	83,851
Subtotal – domestic	14,802,280	14,912,532	14,614,045	14,622,391	16,271,128
International:					
Scheduled:					
U.S. airlines	1,188,161	1,141,804	1,093,595	1,100,681	1,262,297
Foreign flag	177,559	170,911	158,386	191,144	246,366
Subtotal – scheduled	1,365,720	1,312,715	1,251,981	1,291,825	1,508,663
Charter	1,584	954	10,355	26,916	51,440
Subtotal – international	1,367,304	1,313,669	1,262,336	1,318,741	1,560,103
Total enplaned passengers	16,169,584	16,226,201	15,876,381	15,941,132	17,831,231
Enplaned cargo (tons):					
Freight	84,018	77,756	71,409	68,021	99,578
Mail	8,267	6,973	4,950	4,264	4,225
Total cargo	92,285	84,729	76,359	72,285	103,803
Aircraft departures (b):					
Domestic	198,883	203,769	202,934	199,105	206,716
International	11,909	13,481	13,215	13,275	15,785
Total aircraft departures	210,792	217,250	216,149	212,380	222,501
Aircraft operations:					
Air carrier	208,358	191,893	195,916	211,998	253,024
Air taxi and commuter	217,951	248,390	242,697	218,172	203,629
General aviation	6,127	6,662	6,777	7,006	10,580
Military	247	100	110	140	153
Total aircraft operations	432,683	447,045	445,500	437,316	467,386
Landed weight (1,000-pound units):					
Passenger:					
U.S. carriers:					
Major/national	12,397,260	13,010,737	12,977,875	14,339,238	17,359,185
Commuter/regional	7,147,300	6,925,445	6,296,021	5,589,520	4,614,483
Subtotal – U.S. carriers	19,544,560	19,936,182	19,273,896	19,928,758	21,973,668
Foreign flag	358,810	354,984	336,429	439,368	626,107
Subtotal – passenger	19,903,370	20,291,166	19,610,325	20,368,126	22,599,775
All cargo	704,981	632,547	556,940	636,520	759,135
Total landed weight	20,608,351	20,923,713	20,167,265	21,004,646	23,358,910

(a) 2012 originating and connecting activity statistics are estimated based on calendar-year percentages.

(b) 2012 departures are estimated based on both actual and scheduled data.

Sources: Wayne County Airport Authority records, U.S. Department of Transportation data, and the OAG Aviation Database.

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #15

Nonstop International Destinations Added and Dropped

Calendar years ending December 31

(Unaudited)

Year	Cities added	Cities dropped	Net change
2012		London, Canada	(1)
2011	Beijing, China Tokyo (Haneda), Japan		2
2010	Sao Paulo, Brazil Hong Kong, China Seoul, Rep of Korea	Osaka, Japan London (Gatwick), England Kitchener/Waterloo, Canada Winnipeg (Manitoba), Canada Charlottetown, Canada	(2)
2009	Rome, Italy Shanghai (Pu Dong), China	Dusseldorf, Germany Ixtapa/Zihuatanejo, Mexico	—
2008	Monterrey, Mexico	Acapulco, Mexico Aruba, Aruba Brussels, Belgium Mazatlan, Mexico	(3)

Notes: Data reflect new and discontinued nonstop international destinations served from DTW during the entire calendar year.

Source: OAG Aviation Database

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #16

Historical Operating Results

Operating Years Ended September 30

(Unaudited)

		OY 2012	OY 2011	OY 2010	OY 2009	OY 2008
Operating revenues:						
Airport landing and related fees	$	66,719	68,473	69,652	59,723	84,022
Concession fees		51,689	50,576	47,975	48,425	51,851
Parking fees		56,092	54,145	48,309	49,911	58,683
Rental facilities		105,251	93,866	89,671	88,230	51,431
Utility service fees		4,790	4,879	4,332	4,320	4,498
Other		3,027	5,716	6,935	4,100	5,024
Total operating revenues		287,568	277,655	266,874	254,709	255,509
Operating expenses:						
Salaries, wages, and fringe benefits		68,848	70,218	68,799	72,696	75,214
Parking management		6,048	6,794	6,505	7,082	8,905
Janitorial services		11,480	11,143	10,972	10,584	2,403
Security		2,288	2,402	2,293	2,657	2,758
Utilities		25,882	24,145	25,789	26,499	29,166
Repairs, professional services, and other		69,340	76,770	72,172	67,310	80,699
Depreciation		134,891	134,660	136,688	135,777	120,145
Total operating expenses		318,777	326,132	323,218	322,605	319,290
Operating loss		(31,209)	(48,477)	(56,344)	(67,896)	(63,781)
Nonoperating revenues (expenses):						
Passenger facility charges		62,134	62,197	60,306	59,712	68,203
Federal and state grants		1,379	1,185	1,231	999	1,969
Interest income and other		1,783	3,340	4,948	7,070	27,970
Interest expense and other		(81,961)	(85,322)	(99,602)	(111,113)	(94,695)
Amortization of bond issuance costs		(1,722)	(1,583)	(1,837)	(1,615)	(1,985)
Total nonoperating revenue (expenses)		(18,387)	(20,183)	(34,954)	(44,947)	1,462
Net loss before capital contributions and transfers		(49,596)	(68,660)	(91,298)	(112,843)	(62,319)
Capital contributions		25,208	15,875	25,869	27,431	52,218
Transfers out		(357)	(1,252)	(1,490)	(8,178)	(2,813)
Changes in net assets		(24,745)	(54,037)	(66,919)	(93,590)	(12,914)
Net assets – beginning of year		459,941	513,978	580,897 [1]	623,528	636,442
Net assets – end of year	$	435,196	459,941	513,978	529,938	623,528

[1] In 2010, Detroit Metro Airport restated beginning net assets to $580,897 (see Note 2 of 2010 financial statements for additional discussion). This amount less the 2010 decrease in net assets is used to arrive at ending net assets.

Source: Audited Financial Statements of the Wayne County Airport Authority.

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #17

Top 20 Domestic O&D Markets

Calendar year ended December 31, 2011

(Unaudited)

Rank	Market	Total O&D Passengers	Percentage of O&D Passengers	Primary Carrier	Market Share	Secondary Carrier	Market Share	Non-Stop Service
1	New York	970	7.2%	Delta	56.0%	Spirit	22.4%	●
2	Orlando	870	6.4%	Delta	63.4%	Southwest	20.4%	●
3	Florida South	723	5.3%	Delta	60.5%	Spirit	26.4%	●
4	Las Vegas	712	5.3%	Delta	56.7%	Spirit	30.4%	●
5	Los Angeles	695	5.1%	Delta	55.0%	Spirit	12.4%	●
6	Baltimore/Wash Intl	680	5.0%	Delta	68.0%	Southwest	22.4%	●
7	Chicago	558	4.1%	Delta	45.7%	Southwest	23.0%	●
8	Atlanta	473	3.5%	Delta	69.8%	Southwest	26.8%	●
9	Tampa	464	3.4%	Delta	67.1%	Spirit	19.9%	●
10	Phoenix	439	3.2%	Delta	52.7%	US Airways	21.9%	●
11	Fort Meyers	436	3.2%	Delta	58.8%	Spirit	37.6%	●
12	San Francisco	388	2.9%	Delta	62.4%	Southwest	13.5%	●
13	Denver	369	2.7%	Delta	43.6%	Frontier	26.5%	●
14	Dallas	319	2.4%	American	46.6%	Delta	35.0%	●
15	Boston	243	1.8%	Delta	75.3%	US Airways	13.6%	●
16	Houston	237	1.8%	United	43.2%	Delta	33.3%	●
17	Philadelphia	220	1.6%	Delta	50.1%	US Airways	45.7%	●
18	Minneapolis/St. Paul	217	1.6%	Delta	88.9%	Southwest	5.7%	●
19	Seattle	204	1.5%	Delta	72.7%	Southwest	8.1%	●
20	St. Louis	187	1.5%	Delta	63.4%	Southwest	35.1%	●
Other O&D Markets		4,118	30.5%					
Domestic O&D Passengers		13,522						
O&D % of Domestic Passengers		46%						

Note: Figures may not add due to rounding

Source: Wayne County Airport Authority records; U.S. Department of Transportation, Origin & Destination Survey of Airline Passenger Traffic, Domestic

See accompanying independent auditor's report.

DETROIT METROPOLITAN WAYNE COUNTY AIRPORT

Continuing Disclosure Table #18

Top 20 International O&D Markets

Calendar year ended December 31, 2011

(Unaudited)

Rank	Market	Total O&D Passengers	Non-Stop Service
1	Cancun	81,943	●
2	London (Heathrow)	37,999	●
3	Frankfurt	28,840	●
4	Mexico City	24,633	●
5	Shanghai	27,521	●
6	Montego Bay	24,700	●
7	Seoul	22,665	●
8	Tokyo	19,467	●
9	Punta Cana	18,908	●
10	Rome	18,850	●
11	Sao Paulo	16,596	●
12	Amsterdam	15,305	●
13	Los Cabos	13,838	●
14	Nassau	13,795	●
15	Monterrey	12,758	●
16	Montreal	12,276	●
17	Nagoya	12,078	●
18	Aruba	11,937	
19	Puerto Vallarta	11,650	●
20	San Jose (Costa Rica)	11,357	

Source: US DOT Origin & Destination Survey of Airline Passenger Traffic, and the Diio Mi Database

See accompanying independent auditor's report.

COMPLIANCE SECTION

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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To the Wayne County Airport Authority Board
Wayne County Airport Authority

We have audited the financial statements of the business-type activities, each major fund, and the fiduciary fund information of the Wayne County Airport Authority as of and for the year ended September 30, 2012, which collectively comprise the Wayne County Airport Authority's basic financial statements, and have issued our report thereon dated January 18, 2013. We have conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Wayne County Airport Authority is responsible for establishing and maintaining an effective internal control over financial reporting. In planning and performing our audit, we considered the Wayne County Airport Authority's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

To the Wayne County Airport Authority Board
Wayne County Airport Authority

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Wayne County Airport Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

This report is intended solely for the information and use of management, the Wayne County Airport Authority Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

January 18, 2013

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Report on Compliance with Requirements That Could Have a
Direct and Material Effect on the Major Program and on
Internal Control Over Compliance in Accordance with OMB Circular A-133

Independent Auditor's Report

To the Wayne County Airport Authority Board
Wayne County Airport Authority

Compliance

We have audited the compliance of Wayne County Airport Authority (the "Authority") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on its major federal program for the year ended September 30, 2012. In addition, we audited compliance with the applicable requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (the "Guide") for the year ended September 30, 2012. The major federal program of the Authority is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The passenger facility charge program is identified in the passenger facility charge revenue and expenditures schedule. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program and the passenger facility charge program is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the Guide. Those standards, OMB Circular A-133, and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Wayne County Airport Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Authority's compliance with those requirements.

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program and its passenger facility charge program for the year ended September 30, 2012.

To the Wayne County Airport Authority Board
Wayne County Airport Authority

Internal Control Over Compliance

The management of the Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs and the passenger facility charge program. In planning and performing our audit, we considered the Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program or the passenger facility charge program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and the Guide, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program or the passenger facility charge on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program or the passenger facility charge will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Wayne County Airport Authority's response to the finding on nonmajor programs identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Authority's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of management, the Wayne County Airport Authority Board, others within the entity, Officials of the State of Michigan, the U.S Department of Transportation, the Federal Aviation Administration, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Plante & Moran, PLLC

January 18, 2013

Wayne County Airport Authority

Schedule of Expenditures of Federal Awards
Year Ended September 30, 2012

Federal Agency/Pass-through Entity/Program Title	Federal CFDA Number	Contract/Grant Number	Award Amount	Federal Expenditures	
METRO AIRPORT					
U.S. Department of Transportation:					
Federal Aviation Administration - Direct Program -					
Airport Improvement Program (major program):					
DEICING FACILITY PHASE 2A	20.106	3-26-0026-8708	$ 3,800,000	$ 44,493	
DEICING FACILITY PHASE 2B1	20.106	3-26-0026-9109	1,889,237	526,738	
RUNWAY 3L/21R (southern 4,700')	20.106	3-26-0026-9309	13,746,583	208,226	
GROUND RUN-UP ENCLOSURE	20.106	3-26-0026-9910	8,353,065	6,222,127	
RUNWAY 9L/27R (east of R/W 3L/21R)	20.106	3-26-0026-10010	1,822,781	1	
RUNWAY 9L/27R (east of R/W 3L/21R)	20.106	3-26-0026-10110	932,480	28,231	
RUNWAY 9L/27R (east of R/W 3L/21R), Extend Taxiway G	20.106	3-26-0026-10211	3,037,434	150,198	
RUNWAY 4R/22L-Phase I-Taxiway Z	20.106	3-26-0026-10311	13,198,322	8,061,076	
VOLUNTARY AIRPORT LOW EMISSION (VALE)	20.106	3-26-0026-10411	1,849,866	949,970	
RUNWAY 4R/22L PHASE 2	20.106	3-26-0026-10512	20,498,079	4,645,610	
TAXIWAYS F, H, & V	20.106	3-26-0026-10612	3,649,999	3,649,999	
Subtotal Airport Improvement Program			72,777,846	24,486,669	
U.S. Department of Homeland Security:					
Passed through County of Oakland, Michigan:					
2009 Interoperable Communications Grant (IECGP)	97.067		-	168,135	
2008 Homeland Security Grant Program	97.067		-	1,925	
Passed through County of Wayne, Michigan -					
BIDP Grant	97.067		-	155,889	
Transportation Security Administration (TSA) -Advanced Surveillance Program	97.067	HSTS-04-08-H-CT	2,125,000	191,705	
Total U.S. Department of Homeland Security			2,125,000	517,654	
U.S. Department of Justice - Asset Forfeiture Equitable Sharing Program	16.922	MI-8293900	-	696,480	
Total U.S. Department of Justice			-	696,480	
U.S. Department of Treasury:					
Department of Homeland Security	21.xxx	N/A			
U.S. Immigration & Customs Enforcement			-	18,111	
Total U.S. Department of Treasury			-	18,111	
Total Metro Airport			74,902,846	25,718,914	
WILLOW RUN AIRPORT					
U.S. Department of Transportation -					
Federal Aviation Administration - Direct Program -					
Airport Improvement Program (major program):					
RUNWAY SAFETY IMPROVEMENTS 3 (RW 5R SAFETY AREA, ETC.)	20.106	3-26-0024-3108	8,540,464	(123,243)	*
TAXIWAY D LIGHTING PHASE 1	20.106	3-26-0024-3309	131,532	12,805	
NOISE STUDY 3	20.106	3-26-0024-3409	85,990	5,694	
TAXIWAY D LIGHTING PHASE 2	20.106	3-26-0024-3509	243,754	123,658	
RUNWAY 5R/23L-Phase 1, R/W wind cones	20.106	3-26-0024-3712	9,385,219	1,096,791	
	20.106	3-26-0024-3812	5,878,947	387,529	
Total Willow Run Airport			24,265,906	1,503,234	
Total expenditures of federal awards			**$ 99,168,752**	**$ 27,222,148**	

* Reflects adjustments for final billings as a result of project closeout

See Note to Schedule of Expenditures of Federal Awards.

WAYNE COUNTY AIRPORT AUTHORITY

Note to Schedule of Expenditures of Federal Awards

September 30, 2012

(1) Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") summarizes the expenditures of the Wayne County Airport Authority (the "Authority") under programs of the federal government and is presented in accordance with the requirements of OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*. The Authority's reporting entity is defined in the notes to the Authority's basic financial statements.

For the purposes of the Schedule, federal awards include all grants, contracts, and similar agreements entered into between the Authority and agencies and departments of the federal government and all sub-awards to the Authority by nonfederal organizations pursuant to federal grants, contracts, and similar agreements.

Federal CFDA numbers are obtained from the Catalog of Federal Domestic Assistance published by the Office of Management and Budget and the General Services Administration. Programs without a CFDA number are presented with only the federal agency's two-digit prefix in place of a CFDA number.

Federal awards are reported in the Authority's statement of revenues, expenses, and changes in net assets included with federal and state grants as well as capital contributions.

B. Basis of Accounting

The accompanying Schedule is presented on the accrual basis of accounting. Expenditures are recorded, accordingly, when incurred rather than when paid.

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ______ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ______ Yes __X__ None reported

Noncompliance material to financial statements noted? ______ Yes __X__ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? ______ Yes __X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ______ Yes __X__ None reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133? ______ Yes __X__ No

Identification of major program:

CFDA Number	Name of Federal Program or Cluster
20.106	Airport Improvement Program

Dollar threshold used to distinguish between type A and type B programs: $816,664

Auditee qualified as low-risk auditee? __X__ Yes ______ No

Section II - Financial Statement Audit Findings

None

Section III - Federal Program Audit Findings

Reference Number	Finding
2012-1	**Program Name** - Incomplete schedule of expenditures of federal awards

Pass-through Entity - N/A

Finding Type - Significant deficiency

Criteria - OMB Circular A-133 requires organizations to properly reflect federal expenditures in the schedule of expenditures of federal awards (SEFA).

Condition - The total amount of expenditures reported on the SEFA for the asset forfeiture equitable sharing program was understated by $505,912, due to the WCAA originally reporting the federal funds received on the SEFA, instead of the federal funds expended.

Questioned Costs - None

Context - The total modified amount of expenditures for the asset forfeiture program is under the type A threshold and the overall coverage requirements were met, therefore no changes to major program selection have resulted from this finding.

Cause and Effect - Internal control procedures over determining the correct amount of expenditures that should be recorded on the SEFA did not operate effectively. This resulted in the WCAA's schedule of expenditures of federal awards provided to the auditors being inaccurate on a total expenditure basis.

Recommendation - Internal control procedures should continue to be enforced to ensure the proper expenditures are reported in the schedule of expenditures of federal awards.

Views of Responsible Officials and Planned Corrective Actions - The WCAA has an effective internal control process in place to ensure appropriate amounts are reported on the SEFA. This program is unique to other funding received and the WCAA was unclear on the amounts required to be reported on the SEFA related to this program. Going forward, the WCAA will continue to perform a SEFA reconciliation to ensure all amounts are properly recorded.

WAYNE COUNTY AIRPORT AUTHORITY
Schedule of Passenger Facility Charge Revenues and Expenditures
Year ended September 30, 2012

	Amended Amount Approved	Cumulative Total October 1, 2011	Quarter Ended December 31, 2011	Quarter Ended March 31, 2012	Quarter Ended June 30, 2012	Quarter Ended September 30, 2012	Total FY 2012	Cumulative Total September 30, 2012
Passenger Facility Charges Collected	$ 3,164,332,836	988,476,623	16,350,341	13,330,518	15,915,910	16,737,554	62,334,323	1,050,810,946
Interest Earned	N/A	73,192,922	36,681	23,986	21,234	21,555	103,456	73,296,378
Total Revenues	$ 3,164,332,836	1,061,669,545	16,387,022	13,354,504	15,937,144	16,759,109	62,437,779	1,124,107,324
Passenger Facility Charges Expended for Approved Projects								
APPLICATION NO. 1								
South Airport Access Road Constructior	$ 38,620,000	28,664,340					-	28,664,340
Storm Water Retention & Drainage Facilities Constructio	4,980,000	4,169,572					-	4,169,572
Noise Berm Construction	225,000	224,927					-	224,927
Noise Mitigation Program	104,084,000	20,223,750	544,197	(3,309,407)	117,122	116,968	(2,531,120)	17,692,630
Willow Run Airport Layout Plan Updat	5,000	5,000					-	5,000
APPLICATION NO. 2								
Land Acquisition and Preliminary Design for Fourth Parallel Runwa	6,391,000	7,280,684	(4,811,175)	(30,310)			(4,841,485)	2,439,199
Perimeter Property Fencing and Removal of Airport Hazard - Willow Ru	52,000	16,665						16,665
APPLICATION NO. 3								
Midfield Domestic and International Terminal Facilities Constructio	1,370,450,360	636,636,933	8,199,291	8,061,143	8,583,675	8,572,296	33,416,405	670,053,338
Reconstruction of Existing Terminals and Concourse	673,408,000	109,563,774	8,975,827	5,062,946	4,505,728	4,713,545	23,258,046	132,821,820
Concourse C Expansion & Domestic Terminals Facilities Construction (Interim Improvement)	22,967,000	21,693,389					-	21,693,389
International Passenger Processing Facilities Expansion (Interim Improveme	32,000,000	31,800,730					-	31,800,730
APPLICATION NO. 4								
Runway 21C/3C Keel Section Replacemen	16,991,000	6,192,915	107,664	106,058	112,987	112,837	439,546	6,632,461
Runway 4R/22L Design and Constructio	169,274,000	47,011,233	5,853,888	212,732	546,804	546,078	7,159,502	54,170,735
Rebuild Outfall Structures at Ponds 3 and	2,413,000	881,248	15,290	15,064	16,049	16,028	62,431	943,679
21C Remote Primary Deicing	23,958,000	9,883,896	140,302	138,212	147,240	147,046	572,800	10,456,696
Grade/Pave Taxiway "K" Islands	704,000	257,060	4,466	4,396	4,684	4,678	18,224	275,284
APPLICATION NO. 5								
North Terminal Apror	59,574,000	9,581,615	1,012,339	(652,926)			359,413	9,941,028
McNamara Terminal Phase II Progran	277,941,000	57,094,312	2,466,341	1,573,017	1,456,479	1,529,254	7,025,091	64,119,403
Third Aircraft Rescue and Firefighting Facility	1,315,000	126,314	10,160	(6,710)			3,450	129,764
West Airfield Improvements	31,906,000	9,043,587	190,063	(121,241)			68,822	9,112,409
Interconnect Re-route	1,441,000	369,055	-	-			-	369,055
Taxiway Q Constructior	4,153,000	1,529,259	66,494	(42,997)			23,497	1,552,756
Runway 4R/22L Shoulders/Overburden (fka 3L/21F	2,090,000	725,898	27,407	(17,483)			9,924	735,822
Deicing Pad at Runway 22l	18,123,000	6,490,278	309,370	(198,600)			110,770	6,601,048
Deicing Pads at Runway 4R and 3l	39,941,000	9,628,871					-	9,628,871
Perimeter Fencing and Other Security Enhancemen	710,000	-					-	-
Surface Movement Guidance Control Systen	1,310,000	-					-	-
Runway 3L/21R Planning	700,000	-					-	-
Runway 3R/21L Design and Pavement Evaluatio	1,200,000	-					-	-
Part 150 Study Update	386,156	326,095					-	326,095
APPLICATION NO. 7								
Airfield Snow Removal Vehicles & Equipmen	16,873,119	1,740,671	255,640	(163,123)			92,517	1,833,188
McNamara Terminal In-Line Explosive Detectio	110,328,130	6,949,370	(2,249,871)	(422,466)			(2,672,337)	4,277,033
Infill Island at Taxiway Y-1	811,236	82,375	7,698	(4,779)			2,919	85,294
Master Plan Update	946,500	84,414	8,991	(5,582)			3,409	87,823
Runway Surface Monitor System for RW 4L/22R	1,000,000	-					-	-
Runway and Taxiway Improvements	97,694,583	3,706,223	(363,423)	(289,360)			(652,783)	3,053,440
Reconstruct Runway 4R/22L (Impose Only	29,366,752	-						-
Total Amount Approved	$ 3,164,332,836							
Total Expenditures		$ 1,031,984,453	$ 20,770,959	$ 9,908,584	$ 15,490,768	$ 15,758,730	$ 61,929,041	$ 1,093,913,494
Unexpended Passenger Facility Charges		$ 29,685,092						$ 30,193,830

See accompanying independent auditors' report and the notes to schedule of passenger facility charge revenues and expenditu

WAYNE COUNTY AIRPORT AUTHORITY

Notes to Schedule of Passenger Facility Charge Revenues and Expenditures

September 30, 2012

(1) General

The Aviation Safety and Capacity Expansion Act of 1990 (Public Law 101-508, Title II, Subtitle B) authorized domestic airports to impose a Passenger Facility Charge (PFC) on enplaning passengers. PFCs may be used for airport projects which meet at least one of the following criteria: (1) preserve or enhance safety, security, or capacity of the national air transportation system; (2) reduce noise or mitigate noise impacts resulting from an airport; or (3) furnish opportunities for enhanced competition between or among carriers.

Since 1992, the Federal Aviation Administration (FAA) has approved six PFC applications and amendments submitted by Wayne County Airport Authority (the Authority). The most recent application was approved during fiscal year 2008 and resulted in an additional .3 billion of collection authority from the FAA. The Authority is currently authorized to collect PFCs in the amount of $4.50 per enplaned passenger up to a total for approved collections of $3.2 billion. Project expenditures may include amounts for the payment of principal, interest, and other financing costs on bonds for which the proceeds are used to pay PFC-eligible costs on approved projects.

As of September 30, 2012, the Authority had received approximately $1.05 billion of PFC revenue and interest earnings of approximately $73.3 million. The Authority had expended approximately $1.09 billion on approved projects.

(2) Basis of Accounting

The accompanying Schedule of Passenger Facility Charge Revenues and Expenditures (the Schedule) has been prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles (GAAP).

PFC charges collected, expended, and interest earned represent amounts reported to the FAA on the Passenger Facility Charge Quarterly Status Reports and total $62.3 million, $61.9 million, and $.1 million, respectively, for the year ending September 30, 2012. The Authority also maintained a receivable of approximately $9.5 million for PFCs collected by the airlines but not remitted to the Authority as of September 30, 2012.

(3) Interest Earned

Interest income is allocated to the PFC program (the Program) based on a ratio of the Program's cash and investments to the total Authority cash and investments included in the pooled cash funds, with the exception of funds for the Revenue Account, which are held in a separate interest-bearing account and credited directly to the Program.

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WAYNE COUNTY AIRPORT AUTHORITY